

**CITY OF MERIDEN  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2014**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL**  
**REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Department of Finance

Michael Lupkas, CPFO  
Director of Finance

# **Introductory Section**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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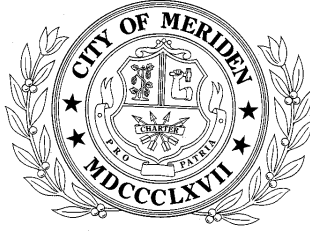
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November 11, 2014

To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Meriden:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion of the City of Meriden's financial statements for the year ended June 30, 2014. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

### *Description of the Municipality*

Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, had a population of 60,868 in 2010, an increase of 2,624 people since 2000. Meriden is located midway between the cities of Hartford and New Haven within New Haven County at the crossroads of Interstate 91, Interstate 691, State Rt.15 (Wilbur Cross Parkway) and U.S. Rt. 5. Interstate 691 links Interstate 91 and Interstate 84.

The City includes a unique mix of historic buildings and neighborhoods, affordable housing to working families, more affluent suburban style developments, modern business facilities, a major mall, the largest municipal park in Connecticut (Hubbard Park) and prominent natural scenic ridge top areas. There is local transit service, Amtrak and interstate buses providing passenger transportation connecting the City to major metropolitan centers. Freight service is provided by Conrail and a number of trucking companies. The Meriden-Markham Municipal Airport provides both freight and limited passenger service.

Manufacturing firms produce a diversified product line, which includes electronic components, biopharmaceuticals, printing presses, aircraft and spacecraft components, industrial filters and antipollution equipment, corrugated boxes, industrial equipment, lighting fixtures, metal alloys, auto parts and video/data transmission equipment.

### *Form of Government*

The City of Meriden has operated under a Council/Manager form of government since December 3, 1979.

Under the City Charter, the legislative branch consists of 12 elected members forming the City Council who have exclusive legislative and fiscal powers. The Council may, by resolution, regulate the internal operation of boards, commissions and offices, which it fills by appointment. The citizens elect the City Council and Mayor. The City Council appoints the City Manager.

The City Manager is directly responsible to the Council for the supervision and administration of all departments and offices of the City except those elected by the people or appointed by state or federal authority.

A Director of Finance is appointed by the City Manager, subject of the approval of the City Council and serves at the pleasure of the City Council. The Director is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

## **ECONOMIC CONDITIONS AND DEVELOPMENT**

Meriden's development points to a stable, slowly growing economy. The annual growth rate for approved commercial/industrial site plan development is 51,750 square feet. This is the growth rate of land use approvals of applications in the most recent three Fiscal Years (July 2011 through June 2014).

In FY 2014, the Planning Commission or Planning Director approved Site Plan projects which, when constructed, will add:

- 41,140 sq. ft. to the commercial/industrial base; and
- 66,890 sq. ft. to the non-residential base; and
- 63 multi-family units



## DEVELOPMENT PROJECTS APPROVED BY PLANNING COMMISSION IN FY 2012-2014

Type of Use/Business	FY 2012 Building Sq. Ft.	FY 2013 Building Sq. Ft.	FY 2014 Building Sq. Ft.	Total FY 2012-FY 2014 Sq. Ft.
Commercial Office/Service	45,500	19,930	3,810	69,240
Commercial Retail	6,000	11,680	21,030	38,710
Industrial	20,000	11,000	16,300	47,300
<b>TOTAL COMMERCIAL/INDUSTRIAL</b>	<b>71,500</b>	<b>42,610</b>	<b>41,140</b>	<b>155,250</b>
Institutional	300,350*	265,000*	25,750	591,100*
<b>TOTAL NON-RESIDENTIAL</b>	<b>371,850</b>	<b>307,610</b>	<b>66,890</b>	<b>746,350</b>
	<b>FY 2012 Units</b>	<b>FY 2013 Units</b>	<b>FY 2014 Units</b>	<b>Total FY 2012-FY 2014</b>
<b>Multi-Family Residential</b>	<b>0</b>	<b>70</b>	<b>63</b>	<b>133</b>

\* includes renovated space

The table above indicates a significant increase in both Commercial/Industrial and Institutional square footage in FY 2012 - FY 2014 over the average of the previous three years (state and national construction slowdown of 2008-2011). Approved residential development has increased recently and several large projects are pending construction. Constructed residential units are indicated below.

### RESIDENTIAL NEW CONSTRUCTION PERMITS ISSUED AND CONSTRUCTION BEGUN IN FY 2012

Type	FY 2012 Units	FY 2013 Units	FY 2014 Units
Multi-Family Residential	0	12	0
Single Family Residential	12	7	8
<b>TOTAL RESIDENTIAL</b>	<b>12</b>	<b>19</b>	<b>8</b>

### COMPREHENSIVE PLANNING

The City is actively implementing its long term Plan of Conservation & Development (“POCD”). The Plan addressed the following aspects of City function:

1. Land Use
2. Economic Development
3. Open Space
4. Housing
5. Infrastructure
6. Quality of Life, etc.

The Plan includes the following vision statement as the guiding objective of the Plan:

*“There will be a diversity of cultures in Meriden’s slowly growing population; a learning, working citizenry that shop and convene together in places like an expanded and rejuvenated downtown, where residents and employees can enjoy a pleasing stroll between the historic downtown and the new City Center, and visitors to the mall can continue to the downtown and Hubbard Park for seasonal activities and festivals. There will be a balanced range of housing with a prideful majority of homeownership including a larger segment of higher value single detached homes. Condominiums and apartments will be located near convenient services; their overall quality will be improved as declining structures are renovated or removed. The City will be fiscally stable as neighborhoods and developed areas like Research Parkway retain their value and new development adequately contributes to quality services and infrastructure.”*

Adopted in 2009 by the City Planning Commission and the City Council, the POCD includes specific Actions to promote its objectives, including targeted investments, regulatory changes and economic development. In 2013, a four year review of progress implementing the POCD found that 28 Plan Actions were completed, and another 36 Actions were in the process of being completed. Other Plan Actions were also in the preliminary stages. The City’s comprehensive planning implementation efforts continue to be concentrated in the areas of Land Use, Neighborhood Planning, targeted Open Space, and Economic Development.

### **TRANSIT ORIENTED DEVELOPMENT (“TOD”)**

The Transit Oriented Development (“TOD”) Plan was the major special study completed in 2012, as part of the implementation of the POCD. The planned increase in rail service and several underdeveloped properties provide opportunities for a full transit center, future high density mixed use development and a central park that can support flood control. The park is fully funded and construction began on the site in the fall of 2013. Additional information can be found on the website <http://meridentod.com/>.



To ensure that new high quality development is facilitated, in June of 2013, a complete revision to downtown Zoning to promote Transit Oriented Development was approved by the City Council. In the fall of 2013, the Planning Director approved the first major mixed use TOD building project. The four story building will include first floor retail space and 63 units of mixed income housing. Also, a large

multi-story parking garage was recently approved to accommodate the transit center and rail service. The City, through a consultant, completed a Historic Resources Inventory of the downtown and a presentation of findings was made in the spring of 2014.

Beyond the downtown area, planning to develop large sites for mid to long term economic development continued. A focus of such efforts in 2014 is an economic development feasibility study for a large City owned site on South Mountain Road. Also, in the spring of 2014, City Planning, through an intern, produced a Sidewalk Inventory and Plan for sustaining and further connecting the citywide sidewalk network.

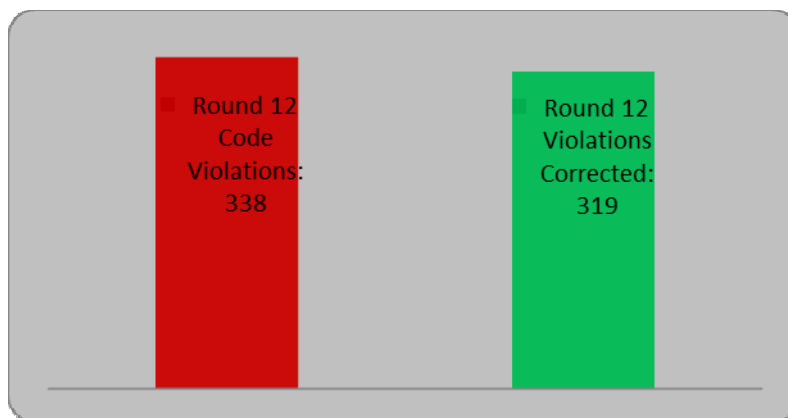
### **NEIGHBORHOOD PLANNING:**

The City continued its efforts to ensure the preservation and the improvement of the quality of life in our distinct and historical neighborhoods. In 2009, the City began a Neighborhood Stabilization Program whereby seven vacant bank foreclosed properties have been purchased for rehabilitation and sale to income qualified homebuyers. Since 2009, twelve units have been rehabilitated and sold.

The City Council also approved zoning updates to promote higher quality residential lot development. A major city proposal in FY 2012 was to rezone over 540 residential properties in nine areas of the City from R-2 (Two/Three Family Residential) to R-1 (Single Family Residential). This was an implementation action of the POCD. Staff research indicated that the nine areas were primarily composed of single family homes, and revising Zoning would help to maintain the neighborhoods. Following a public hearing and minor changes, the City Council changed the Zoning Map designation for these properties.

The preservation effort is primarily addressed through the Neighborhood Code Enforcement Walk. This continuing program includes six inner core neighborhoods covering 525 acres and 20 miles of street. Code violations reviewed include building, zoning, housing and health codes. More specifically, the major issues addressed are painting, drainage, overgrown grass, garbage and debris, abandoned vehicles, illegal apartments, etc. In the completed round of walks conducted within FY 2013 (September 2011-May 2013), 94% of Neighborhood Walk code violations were corrected.

### **NEIGHBORHOOD WALK CODE ENFORCEMENT VIOLATIONS**



## **ENVIRONMENTAL PLANNING**

The top priority of all City projects is the Harbor Brook Flood Control project. This critical flood control project will protect most of the City through retention, improvement and creation of floodway, removal of obstructions and redirecting portions of the brook. Two major retention projects began in 2014. The City has already improved some bridges and culverts in the last couple years, and is implementing plans for the remaining necessary work.

Around 2009, the City completed a nature walk/bike trail project; the Meriden Quinnipiac Trail in South Meriden, considered one of the best riparian environment-based trails in the State. In 2013, the City also completed the next trail phase, which traverses from the Quinnipiac Trail toward the Central Business District (“CBD”). This is Phase II of Meriden’s Linear Trail system, an approximate one-mile extension that provides pedestrian and bicycle access to Platt High School. The City is also seeking funding for Phase III. Said trail will eventually extend to the northeast corner of the City. This is a regional project that will connect with an existing bikeway.

The Conservation Commission, the Inland Wetlands and Watercourse Commission and Planning staffs are active in preserving environmentally sensitive land throughout the City. In the fall of 2009, a State sponsored Environment Review Team studied a large undeveloped property owned by the City, commonly known as Cathole Mountain. This property is known to include environmental resources and is adjacent to a nationally recognized trail. A report with recommendations regarding areas important to preserve was provided to the City. In the summer of 2011, the City Council designated 71 additional acres of permanent Open Space. Also, in recognition of the City’s “outstanding” efforts in the development, maintenance and protection of trail systems, the Connecticut Forest and Park Association designed the City as a “Connecticut Trail Town.”

The City continues to monitor and preserve the City’s tree inventory through the effort of the Tree Warden. Also, the Inland Wetlands and Watercourse Commission and staff continue to oversee and limit development of the City’s wetland areas.

The City has continued to make progress with environmental clean-up of two important, centrally located sites:

1. Factory “H” - which is located on Cook Avenue at the southerly entrance to the CBD. Demolition of the obsolete Factory “H” structures was completed in the summer of 2012.
2. Downtown HUB - The site is across from the train center. Meriden is a designated stop on the planned New Haven-Hartford-Springfield rail service. The park project is under construction.

These and adjacent properties will present many development opportunities.

## **C. ECONOMIC DEVELOPMENT**

The mission of the Office of Economic Development is to sustain and grow the tax base, provide jobs, and create economic activity across numerous sectors within our community. Towards this end, we will focus on the following objectives:

- Collaborate with private, public and non-profit organizations that create jobs and economic activity in Meriden.

- Support and champion community leaders who work to make Meriden an attractive and economically viable place to live, work and recreate.
- Increase investment in Meriden's inner city, attract businesses to Meriden across numerous economic sectors, and retain existing businesses that have invested in our community.
- Pursue funding for and help implement critical infrastructure improvements that are necessary to support and sustain economic growth.
- Engage in long-term planning while at the same time recognizing the short-term needs of Meriden business owners, residents and workers.

The office of Economic Development manages the City's business incentive programs, which are further described on [www.meridenbiz.com](http://www.meridenbiz.com). Incentives, which are designed to assist businesses that locate or expand in Meriden, include the following:

- Meriden's Enterprise Zone (EZ) State Incentives: Meriden has a state-designated Enterprise Zone, which provides tax incentives to manufacturers and warehousing and distribution companies that locate to or expand in Meriden's Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State. Ten Meriden-based companies have participated in the state EZ program.
- Meriden's Enterprise Zone - City of Meriden Incentives: Companies locating to or expanding in the Enterprise Zone that do not qualify for the State's EZ program may qualify for Enterprise Zone incentives under the Meriden Enterprise Zone incentive program. Thirteen Meriden-based companies have participated in the City's EZ program.
- Urban Jobs State Incentive Program: Manufacturing and warehousing/distribution companies located outside of the Enterprise Zone may qualify for the same benefits as those located within the Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State. Five Meriden-based companies have participated in the Urban Jobs program.
- Meriden's Information Technology Zone (ITZ) Incentives: Meriden has an information technology zone tax incentive program offering real property tax assessment deferrals to property owners who improve their buildings to house IT companies. IT companies locating in the buildings also receive personal property tax abatements. Two Meriden-based companies have participated in the ITZ program.
- Meriden's Manufacturing Assistance Program (MAP): Meriden offers subordinate financing to manufacturers planning to expand their operations in the City or who wish to locate to Meriden. The loans are for real estate acquisition or improvements and are only offered in conjunction with private financing. Eight manufacturers have taken advantage of this program to date. Three loans are current. The program supports the expansion and retention of the City's manufacturing base.

- C-Pace a State of CT Energy Program: Commercial Property Assessed Clean Energy (“C-PACE”) is a program allowing commercial and industrial building owners to finance qualifying energy efficiency and clean energy improvements through placing a voluntary assessment on their property tax bill. Meriden has entered into an agreement with the Connecticut Energy Finance and Investment Authority to participate in this program. One company is participating in the C-PACE program.

The Office of Economic Development is also actively pursuing short and long term strategies that will help promote and grow economic development in Meriden including:

#### Brownfields Redevelopment

Meriden is engaged in a long-term commitment to assess and clean up Brownfield sites in our community and return them to active reuse. Since 1992, the City has evaluated 23 Brownfield sites totaling over 36 acres of land. Cleanup of 11 sites has been completed or is ongoing. The City has leveraged over \$23 million for assessment, cleanup and remediation activities of those sites since 2002. These grants have supported creation of more available land for housing and commercial development. Current Brownfield related grants include \$240,000 from USEPA (FY 2012) for Cleanup of 116 Cook Ave., \$240,000 from USEPA (FY 2013) for cleanup of 50 East Main Street, and \$8.9 million in DEEP grants administered by DECD for the HUB project. Funding to assess the properties comprising the Mills public housing site were awarded during the fiscal year and will be used during FY 2015 for assessment activities.

#### Transit Oriented Development Planning and Implementation

Over the past the City has positioned its downtown to be able to take advantage of development opportunities resulting from improvements to rail infrastructure in Meriden and along the Hartford-New Haven rail line. The Connecticut Department of Transportation is in the process of constructing a new, \$20 million rail station to replace the aging Amtrak station in Meriden. The investment is part of the New Haven-Hartford-Springfield (NHHS) rail program, a \$467 million commuter/high speed rail service utilizing the existing Amtrak rail corridor. Meriden has been designated a key station stop along the NHHS rail line. At full capacity, Meriden will have 56 bi-directional trains daily serving the Springfield to New Haven corridor and improved transit bus service. The City manages several grants that are being used for Transit Oriented Development projects associated with the rail station development.

In October 2010, the City was awarded \$976,000 in HUD Sustainable Communities Challenge grant funds for downtown property acquisitions and to develop Transit Oriented Development zoning regulations for the one-half mile surrounding the Meriden Transit Center. The TOD zone was adopted by the City Council in 2013. Funds were used during FY 2014 to acquire two downtown properties, 177 State Street and 11 Crown Street, for the purposes of redevelopment. In October 2011, the City was awarded an \$850,000 grant from the State of Connecticut to further develop its TOD plan and move into the implementation phase. During the fiscal year, the City used a portion of the TOD Pilot funds to initiate a TOD developer Request for Qualifications, with the purpose of identifying qualified developers to partner with the City to develop City-owned properties within the TOD district. The City also used TOD Pilot funds to complete a TOD traffic study and to complete several environmental assessments associated with the properties that were acquired. During the fiscal year, state funding was approved for a 63-unit, 11,000 square footage mixed use \$30 million transit oriented development at 24 Colony Street which will be wrapped around at 273 space parking structure. The project is the City’s first major transit oriented development project and is due to commence fall 2014.

### Downtown Redevelopment and Flood Control Infrastructure Improvement

The City has received significant funding through the State of Connecticut for flood infrastructure improvements in the downtown, including \$13.6 million in state bonds to construct the flood control plan and park improvements at the HUB site. The project includes transforming the 14.4-acre Brownfield site into a park that serves the dual purposes of providing public green space and flood storage downtown. Construction commenced in this project in early 2014. A key element includes removing Harbor Brook from the concrete culvert underneath the HUB site, restoring it into an open channel stream habitat and allowing Harbor Brook to flood during storm events to alleviate flooding conditions downstream. Once the flood control infrastructure is completed, the HUB site will include a public park and flood storage area on 11 acres of the site. The remaining 3.4 acres will be available for future development. HUB construction is ongoing and on schedule to be completed fall 2015.

The City has been working on downtown streetscape/sidewalk improvement projects totaling \$2.133 million. The City has received a \$1.888 million grant and \$245,000 City funds were approved in the 2014 budget. Engineering has completed 40% of the plans.

### Development Outside of the Downtown

Meriden is home to 1,300 businesses employing over 25,000 people. Manufacturing firms produce a diversified product line which includes electronic components, biopharmaceuticals, printing presses, aircraft and spacecraft components, industrial filters and antipollution equipment, corrugated boxes, industrial equipment, lighting fixtures, metal alloys, auto parts, and video/data transmission equipment. Recently, several industrial and commercial businesses, including Accel, Q/S Technologies, Ragozzino Foods, Edge Fitness, and TJ Maxx, have undertaken major expansion projects in Meriden. The Plan of Conservation & Development identified four large undeveloped/underdeveloped sites, three adjacent to interstate highways, for mid to long-term economic development, and efforts are ongoing to promote this. The City recently retained the Connecticut Economic Resource Center (CERC) to complete a market feasibility study on one of the City-owned parcels surrounding the former NRG site.

### Marketing and Regional Coordination

Meriden is in its 12<sup>th</sup> year of a marketing campaign focusing on business retention and business development. This past year a budget allowed the City to update and maintain online communications, including meridenbiz.com and meridentod.com websites, and to develop and implement a marketing plan for the use of the 2,000 hours/year of electronic billboard space. The “Meriden 2020: Bringing It/Together” campaign has been launched and will be expanded in 2015 to include electronic and print media campaigns.

The City’s Economic Development Office continues to contract with CoStar Inc. to provide real-time, on-line access to commercial property databases listing all commercial, industrial properties available for lease or sale in the Meriden/New Haven region. The database enables staff to provide real-time “for lease” and “for sale” information to companies wishing to locate to or expand in the City. The database also provides real estate analysis (vacancy rates, lease histories and property trends/photos, and floor plans by building) for distribution to prospects, market research companies and site selection consultants.

The City continues to partner with Midstate Chamber, SBA, SCORE, State of CT and other agencies to help bring in financial literacy courses, financial resources and technical assistance to current businesses and starting entrepreneurs. The City is currently setting up educational courses to start up businesses in partnership with the Midstate Chamber and SBA. These courses are to be launched in the fall/winter 2014.

The City is included within the South Central CT's Regional Comprehensive Economic Development Strategy Plan (CEDS) that was approved by the U.S. Economic Development Administration (EDA) in 2006 and updated in 2014. This Plan allows the City to apply for funding from EDA for economic development projects.

### **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (“CDBG”)**

The primary function of the City's Community Development Office (CD Office) is to administer the City's CDBG program. CDBG funds two city departments and many local non-profit agencies who provide services to low and moderate income persons and/or make improvements to facilities for low and moderate income persons. The CD office also manages other municipal grants in areas such as transportation, hazard mitigation, energy, open space, economic development, Brownfields and public safety.

Key accomplishments of the CDBG Program during the 2014 Fiscal Year included:

- Funding 31 public service programs that served over 40,000 low and moderate income Meriden residents.
- Conducting 4,050 code enforcement inspections in the CDBG target areas.
- Completed all Challenge Grant activities, including finalizing the new TOD Zoning Regulations and identifying and acquiring two properties for future development in the TOD.
- Applied for and received over \$2.2 million in FEMA Hazard Mitigation funding to replace all generators at both the Water Pollution Control Authority and the Water Department.

The City of Meriden is considered a federal entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, and a state-designated “distressed” municipality pursuant to Section 32-9j of the Connecticut General Statutes. During FY 2014, the City of Meriden received \$829,341 in HUD CDBG “entitlement” funds, which were used to promote decent housing, suitable living environments and economic opportunities for Meriden's low and moderate income persons. Programs funded in FY 2014 with CDBG funds include a portion of the City's code enforcement activities, youth services, sidewalk improvements and public services for the elderly, homeless, handicapped and at-risk youth. CDBG funds are also used to support a revolving loan program that funds housing rehabilitation projects and a homeownership assistance program. During FY 2014, the City and the Meriden Housing Authority received a \$500,000 Planning grant from the U.S. Department of Housing and Urban Development Choice Neighborhood program to prepare a transformational plan for the Choice Neighborhood grant area. The CD office is assisting with implementing the many activities required under this grant.

During FY 2014, the Community Development office managed approximately 30 other state and federal grants totaling over \$20 million. The U.S. Department of Homeland Security-Federal Emergency Management Agency, U.S. Department of Justice and the Connecticut Department of Emergency Management and Homeland Security provided grants for personnel and equipment costs. The Federal Aviation Authority and the Connecticut Department of Transportation (DOT) also provided funding for improvements at Meriden Markham Airport. The DOT also provided grants for streetscape improvements, road repair and the purchase of clean fuel vehicles. In addition, the City received full funding from both the Connecticut Department of Environmental Protection (DEEP) and Connecticut Department of Economic Development (DECD) to implement the HUB Flood Control and Remediation project. The CD office administers the HUB funds including processing payments, submitting reimbursements requests and submitting semi-annual financial reports to DECD.



## **Awards**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Meriden, Connecticut for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member has my sincere appreciation for their contributions made in the preparation of this report, in particular, Jenna Lombardo, Director of Accounting, Margaret Leighton and Agnes Puzio, Accountants. I would also like to thank Corinne Eisenstein and Donna Carnot from the Board of Education business office.

This comprehensive annual financial report reflects a commitment to the citizens of Meriden, the Honorable Mayor, the City Council and all concerned readers of this report to provide information in conformance with the highest standards of accountability.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Lupkas". The signature is written in a cursive, flowing style.

Michael Lupkas, CPFO  
Director of Finance



Government Finance Officers Association

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for Excellence  
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Reporting**

Presented to

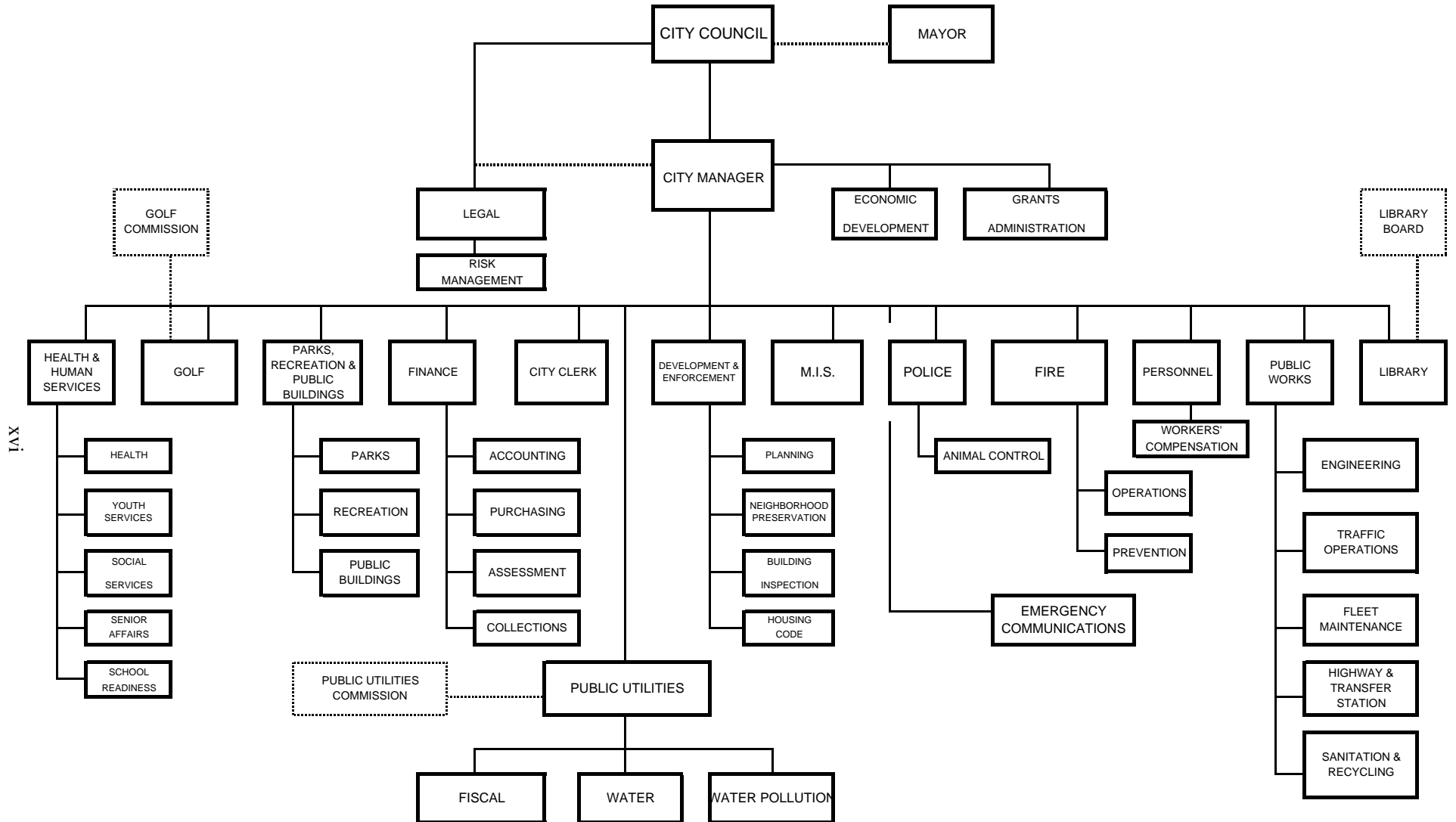
**City of Meriden  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# CITY OF MERIDEN ORGANIZATIONAL CHART



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS  
JUNE 30, 2014

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**MAYOR**

Manual A. Santos

**CITY COUNCIL**

Bob Williams Jr., Deputy Mayor  
Matthew C. Dominello, Sr., Majority Leader  
Daniel Brunet, Minority Leader  
Catherine R. Battista, Deputy Majority Leader  
Brian P. Daniels, Deputy Majority Leader  
Walter A. Shamock, Deputy Minority Leader  
Miguel Castro, City Councilor  
Larue A. Graham, City Councilor  
Steven J. Iovanna, City Councilor  
David D. Lowell, City Councilor  
Lenny Rich, City Councilor  
Kevin M. Scarpati, City Councilor

**CITY MANAGER**

Lawrence Kendzior

**ADMINISTRATION**

City Clerk	Irene Masse
Director of Finance	Michael Lupkas
Police Chief	Jeffry Cossette
Fire Chief	Kenneth Morgan
Corporation Counsel	Michael Quinn
City Attorney	Deborah Moore
Director of Development and Enforcement	Dominick Caruso
Director of Economic Development	Juliet Burdelski
Director of Emergency Communications	Frank Kiernan
Director of Health and Human Services	Lisa Pippa
Director of Management Information Systems	Stephen Montemurro
Director of Parks, Recreation and Building Maintenance	Mark Zebora
Director of Personnel	Caroline Beitman
Director of Public Works	Robert J. Bass
Director of Public Utilities	Dennis Waz
Library Director	Karen Roesler
Golf Course Facilities Manager	Thomas DeVaux

**BOARD OF EDUCATION**

Mark A. Hughes, President  
Michael P. Cardona, Vice President  
John D. Lineen, Treasurer  
Robert E. Kosienski Jr., Secretary  
Dr. Steven J. O'Donnell  
Kyle J. Abercrombie  
Kim A. Carbone-Pandiani  
Scott R. Hozebin  
Pamela S. Bahre

**BOARD OF EDUCATION ADMINISTRATION**

Dr. Mark Benigni, Superintendent of Schools  
Robert Angeli., Associate Superintendent for Instruction  
Michael Grove, Assistant Superintendent, Finance and Administration  
Thomas W. Giard III, Assistant Superintendent of Personnel and Staff Development

# Financial Section

# BlumShapiro

Accounting | Tax | Business Consulting

## Independent Auditors' Report

Honorable Mayor and Members of the City Council  
City of Meriden, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the schedules of changes in the City's net pension liability and related ratios on pages 66 through 68, the schedules of employer contributions on pages 69 through 71 and the schedules of investment returns on pages 72 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Meriden, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2014 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Meriden, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
November 11, 2014



**City of Meriden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2014**

As management of the City of Meriden, Connecticut, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Meriden for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

**Financial Highlights**

- ◆ On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net position at the close of the fiscal year of \$186.9 million. Total net position for Governmental Activities at fiscal year-end was \$94.7 million and total net position for Business-Type Activities was \$92.2 million. (Exhibit I)
- ◆ On a government-wide basis, during the year, the City's net position increased by \$30.5 million or 19.5%, from \$156.4 million to \$186.9 million. Net position increased by \$32.1 million for Governmental Activities and decreased by \$1.6 million for Business-Type Activities. Governmental Activities expenses were \$232.6 million, while revenues were \$264.7 million. The large increase in governmental activities net position is primarily due to the receipt of education capital grants and construction in progress during the year. (Exhibit II)
- ◆ At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$12.1 million, a decrease of \$29.9 million from the prior fiscal year. The decrease is related to the Bond Fund, which is primarily due to the timing of capital expenditures and future bond proceeds. (Exhibit IV)
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$17.5 million, an increase of \$.1 million from the prior fiscal year. Of the total General Fund, fund balance as of June 30, 2014, \$16.0 million represents unassigned General Fund fund balance. Unassigned General Fund, fund balance at year-end represents 8.2% of total General Fund expenditures and transfers out (\$195.6 million), an increase of .2% from the prior year. (Exhibit III, Exhibit IV)

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Meriden's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information as well as the basic financial statements.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Meriden's finances, in a manner similar to private-sector business. All of the resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is portrayed because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net position presents information on all of Meriden's assets and liabilities, with the difference reported as net position. One can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. It speaks to the question of whether or not the City, as a whole, is better or worse off as a result of this year's activities. To assess the overall health of the City of Meriden, the reader needs to consider other non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period. Uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City of Meriden that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

- ◆ Governmental activities of the City of Meriden encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- ◆ Business-type activities of the City of Meriden include the Water Pollution Control Authority, Water Division and the George Hunter Memorial Golf Course. They are reported here as the City charges a fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net position and statement of activities) can be found on Exhibits I and II of this report.

## **Fund Financial Statements**

The City of Meriden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City of Meriden has three kinds of funds:

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Meriden maintains 37 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated column and is presented as nonmajor governmental funds.

Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheet on Exhibit B-1 and in the combining statement of revenues, expenditures and changes in fund balance on Exhibit B-2.

The City of Meriden adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in fund balance on a budgetary basis can be found on Exhibit V.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on Exhibits III and IV of this report.

**Proprietary funds.** The City of Meriden maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Meriden uses enterprise funds to account for its Water Pollution Control Authority, the Water Division and the Hunter Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the City of Meriden's various functions. The City of Meriden uses internal service funds to account for its risk management costs including risks related to Workers' Compensation and Employee Health Insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority and the Water Division, both of which are considered to be major funds of the City of Meriden. The Hunter Golf Course is also provided separately and identified as a nonmajor fund of the City of Meriden. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements.

The City of Meriden adopts annual appropriated budgets for its Proprietary Funds. A budgetary comparison statement has been provided for the proprietary funds to demonstrate compliance with the authorized budget. The proprietary fund financial statements can be found on Exhibits VI-VIII of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has three pension trust funds, one post retirement benefit trust fund, five agency funds and two private purpose funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits IX and X of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-65 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's pension plan such as the net pension liability, employer contributions and investment returns on pension assets. Required supplementary information can be found on pages 66-74 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net position exceeded liabilities by \$186.9 million on June 30, 2014. Governmental activities assets exceeded liabilities by \$94.7 million. Business-type activities assets exceeded liabilities by \$92.2 million.

### City of Meriden, Connecticut Statement of Net Position (\$000s) Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 64,639	\$ 80,026	\$ 17,409	\$ 18,772	\$ 82,048	\$ 98,798
Capital assets, net of accumulated depreciation	<u>255,167</u>	<u>193,627</u>	<u>127,604</u>	<u>130,846</u>	<u>382,771</u>	<u>324,473</u>
Total assets	<u>319,806</u>	<u>273,653</u>	<u>145,013</u>	<u>149,618</u>	<u>464,819</u>	<u>423,271</u>
Deferred outflow of resources	<u>2,248</u>	<u>2,450</u>	<u>729</u>	<u>787</u>	<u>2,977</u>	<u>3,237</u>
Current liabilities	52,390	36,245	4,839	5,332	57,229	41,577
Long-term liabilities outstanding	<u>173,665</u>	<u>177,223</u>	<u>48,732</u>	<u>50,771</u>	<u>222,397</u>	<u>227,994</u>
Total liabilities	<u>226,055</u>	<u>213,468</u>	<u>53,571</u>	<u>56,103</u>	<u>279,626</u>	<u>269,571</u>
Deferred inflow of resources	<u>1,312</u>			<u>523</u>	<u>1,312</u>	<u>523</u>
Net Position:						
Net investment in capital assets	187,903	130,773	78,893	81,045	266,796	211,818
Restricted	1,357	1,356			1,357	1,356
Unrestricted	<u>(94,573)</u>	<u>(69,494)</u>	<u>13,278</u>	<u>12,734</u>	<u>(81,295)</u>	<u>(56,760)</u>
Total Net Position	<u>\$ 94,687</u>	<u>\$ 62,635</u>	<u>\$ 92,171</u>	<u>\$ 93,779</u>	<u>\$ 186,858</u>	<u>\$ 156,414</u>

A portion of net position was restricted in June 30, 2014 as a result of the Wallingford Regional Solid Waste Reserve (\$.4 million), Flood Control (\$.5 million) and the corpus of various trusts (\$.4 million). Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to the Wallingford Regional Solid Waste Reserve.

By far the largest portion of the City of Meriden's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Meriden's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

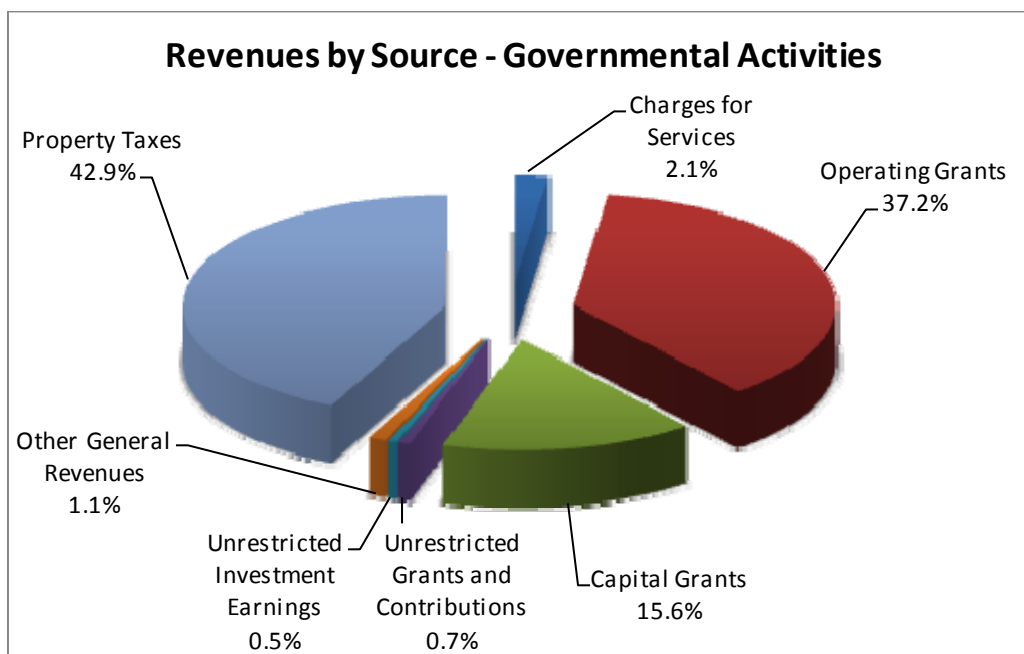
**City of Meriden, Connecticut**  
**Changes in Net Position (\$000s)**  
**Primary Government**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Revenues:						
Program revenues:						
Charges for services	\$ 5,453	\$ 5,290	\$ 20,043	\$ 18,251	\$ 25,496	\$ 23,541
Operating grants and contributions	98,510	94,358			98,510	94,358
Capital grants and contributions	41,292	10,379	128	284	41,420	10,663
General revenues:						
Property taxes	113,452	108,622			113,452	108,622
Grants not restricted to specific programs	1,752	1,801			1,752	1,801
Unrestricted investment earnings	1,327	680	76	69	1,403	749
Miscellaneous income	2,904	5,795	1,558	1,702	4,462	7,497
Total revenues	<u>264,690</u>	<u>226,925</u>	<u>21,805</u>	<u>20,306</u>	<u>286,495</u>	<u>247,231</u>
Expenses:						
General government	15,304	13,392			15,304	13,392
Education	141,547	132,521			141,547	132,521
Public safety	42,606	44,424			42,606	44,424
Public works	14,168	14,604			14,168	14,604
Human services	9,952	10,560			9,952	10,560
Cultural and recreation	5,721	6,689			5,721	6,689
Interest on long-term debt	3,340	2,957			3,340	2,957
Sewer Authority			11,206	11,441	11,206	11,441
Water Authority			11,073	11,334	11,073	11,334
George Hunter Golf Course			1,134	1,185	1,134	1,185
Total expenses	<u>232,638</u>	<u>225,147</u>	<u>23,413</u>	<u>23,960</u>	<u>256,051</u>	<u>249,107</u>
Change in Net Position	32,052	1,778	(1,608)	(3,654)	30,444	(1,876)
Net Position at Beginning of Year	<u>62,635</u>	<u>60,857</u>	<u>93,779</u>	<u>97,433</u>	<u>156,414</u>	<u>158,290</u>
Net Position at End of Year	<u>\$ 94,687</u>	<u>\$ 62,635</u>	<u>\$ 92,171</u>	<u>\$ 93,779</u>	<u>\$ 186,858</u>	<u>\$ 156,414</u>

The City's net position increased by \$30.4 million during the fiscal year, with net position of governmental activities increasing by \$32.1 million and business-type activities decreasing by \$1.6 million.

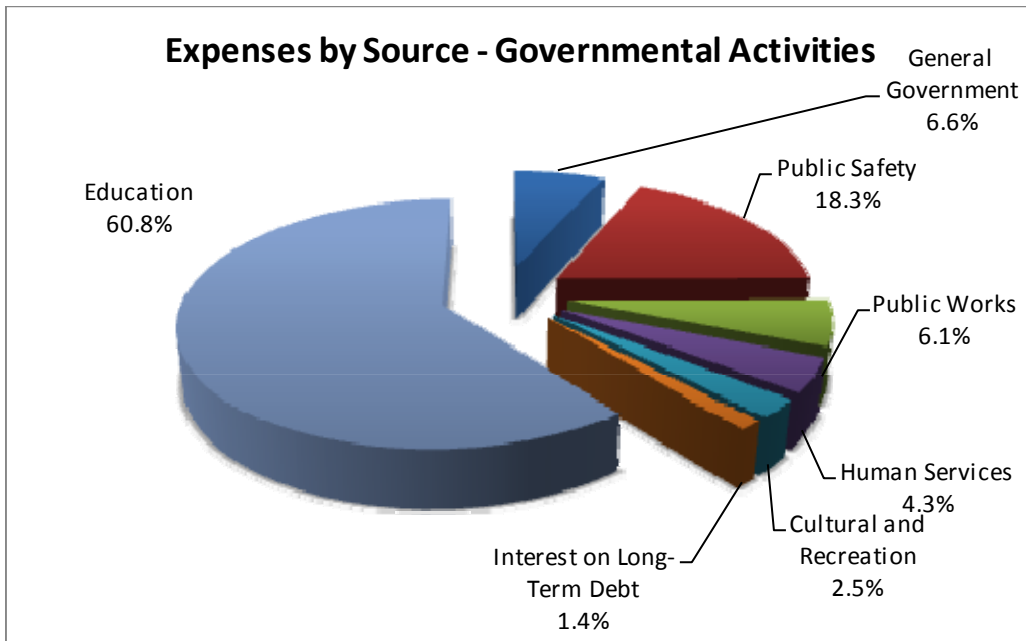
## Governmental Activities

52.8% of the revenues were derived from State and Federal Government program revenues, followed by 42.9% from property taxes, and 2.1% from charges for services.



Major revenue factors included:

- ◆ Maloney High School and Platt High School are both undergoing “renovation-like-new” for a total estimated cost of \$107.5 million for Maloney and \$111.8 million for Platt. Actual construction started in June 2013 for Maloney and September 2013 for Platt. \$17.4 million was reimbursed by the State for Maloney renovation expenditures and \$17.3 million was reimbursed by the State for Platt renovation expenditures. (Capital Grants)
- ◆ Miscellaneous income decreased by \$2.9 million due primarily to NRG Electrical Generating Plant. In fiscal year 2014, the City received \$500,000 as part of an agreement with them. In fiscal year 2013, revenues totaling \$4.3 million were received from a payment in lieu of taxes agreement, which included a termination settlement.
- ◆ For Governmental Activities, 60.8% of the City’s expenses relate to education, 18.3% relate to public safety, 6.6% to general government, 6.1% to public works, 4.3% to health and human services, 2.5% to culture and recreation and 1.4% on interest on long-term debt.



Major expense factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs decreased by \$3.4 million, mainly due to a decrease in health insurance and workers compensation contributions.
- ◆ The cost of education services increased by \$9.0 million mainly due to the following: \$2.2 million increase in teachers' retirement, \$2.1 million increase in compensated absences, \$1.0 million increase in education's portion of the OPEB obligation, and \$1.2 million increase in education's portion of internal service funds' loss.
- ◆ General government expenses for fiscal year 2014 increased by 14.3% mainly due to expenses under the capitalization threshold. Other expenses within general government remained flat between the two compared years.

Interest on long-term debt increased by \$.4 million or 13.0% due to a bond issuance in fiscal year 2013.

### **Business-Type Funds**

Business-type activities decreased the City's net position by \$1.6 million due primarily to depreciation expense, which is not budgeted.



## **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16.0 million while total fund balance was \$17.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.2% of total General Fund expenditures and transfers out (\$195.6 million), while total fund balance represents 9.0% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$.1 million during the current fiscal year. This fund balance increase was attributed to the prudent review and containment of expenditure accounts.

The Bonded Projects Fund has a total fund balance of (\$12.6) million, a decrease of \$31.2 million from the prior year. This increase can be explained by the timing of expenditures, the issuance of long-term bonds and State and Federal grants.

The Nonmajor Governmental Funds have a total fund balance of \$7.1 million, up from \$6.0 million in the prior year. The \$1.1 million increase related primarily to education grant revenue and capital and nonrecurring revenue received during the current year.

### Proprietary Funds

The City of Meriden's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water Fund at the end of the year was \$38.8 million, with unrestricted net position of \$7.9 million. The Water Fund experienced operating income of \$.4 million, due primarily to an extra \$.20 charged per 100 cubic feet to the user fee for the Broad Brook Plant Upgrade. This extra charge will reduce the necessary increase for debt service in future years.

Net position of the Sewer Fund was \$54.6 million. Unrestricted net position was \$8.4 million. The Sewer Fund experienced an operating loss of \$1.9 million, due primarily to depreciation expense, which is not budgeted.

## General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended expenditure budget was \$1.3 million. The original budget included a contingency of \$.5 million that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The additional appropriation approved during the year is summarized below:

- ◆ The additional appropriation of \$1.3 million was for additional money needed to pay health insurance (\$.6 million), police, fire, and emergency communications overtime (\$.2 million), snow and ice (\$.4 million), capital equipment (\$.1 million) and attorney fees (\$.4 million), which was offset by a decrease in contingency of \$.4 million. Various grant revenues were increased by \$.4 million, and NRG revenues was increased by \$.5 million.

During the year, actual revenues on a budgetary basis were \$180.5 million, which was under budgetary estimates by \$.7 million. Total property tax revenues were less than budget by \$.3 million. Intergovernmental revenues were \$.4 million less than budget, which is mainly due to the ECS and special education grant revenues coming in under budget.

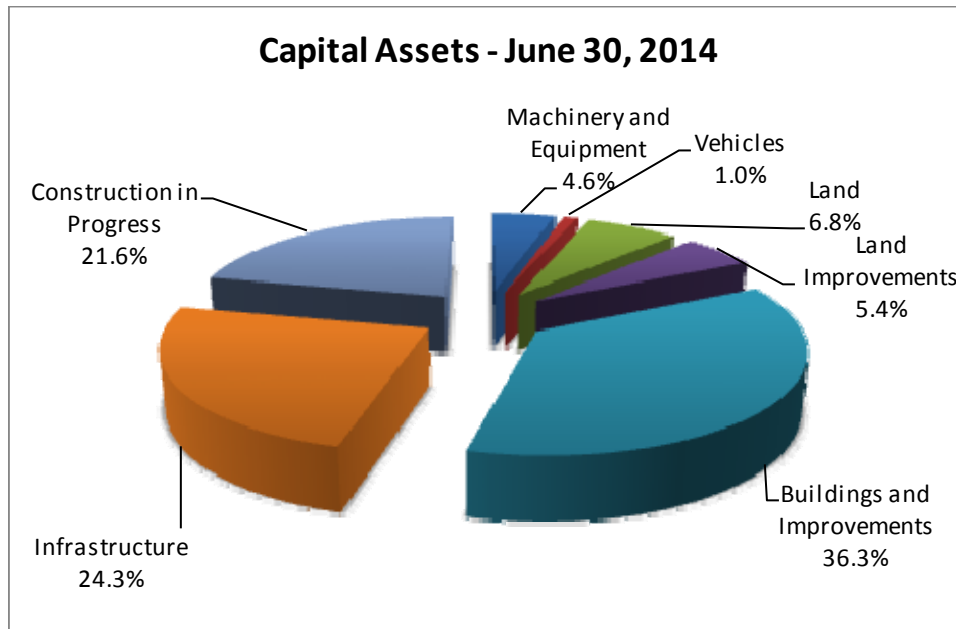
Actual revenues and other financing sources on a budgetary basis totaled \$181.4 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$.4 million.

## Capital Asset and Debt Administration

**Capital Assets.** The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amount to \$382.8 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 24,749	\$ 22,480	\$ 1,138	\$ 1,088	\$ 25,887	\$ 23,567
Land improvements	7,808	8,057	12,872	11,836	20,680	19,893
Buildings and improvements	102,650	100,943	36,366	38,056	139,016	138,999
Infrastructure	32,788	33,618	60,245	62,105	93,033	95,723
Machinery and equipment	4,860	4,759	12,780	14,040	17,640	18,799
Vehicles	3,442	2,394	350	438	3,792	2,832
Construction in progress	78,870	21,376	3,853	3,283	82,723	24,659
<b>Total</b>	<b>\$ 255,167</b>	<b>\$ 193,627</b>	<b>\$ 127,604</b>	<b>\$ 130,846</b>	<b>\$ 382,771</b>	<b>\$ 324,472</b>

**City of Meriden, Connecticut**  
**Capital Assets (Net of Depreciation) (\$000s)**  
**Primary Government**



Major capital asset events during the current fiscal year included the following:

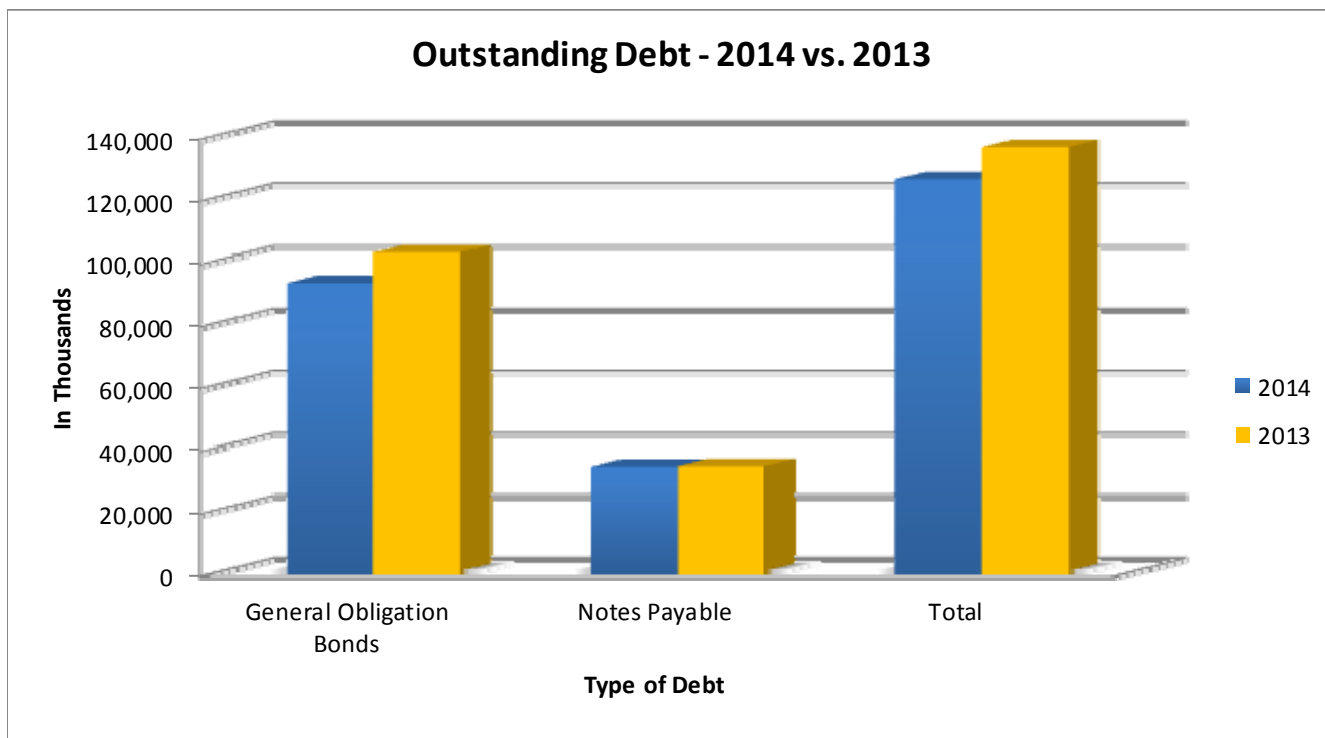
- ◆ \$1.1 million for a Fire Aerial Ladder Truck
- ◆ \$2.9 million on HUB demolition and redevelopment
- ◆ \$28.6 million for the Maloney High School Renovation
- ◆ \$5.1 million for the Hanover School Kindergarten Addition
- ◆ \$.9 million for the Israel Putnam School Roof
- ◆ \$28.9 million for the Platt High School Renovation
- ◆ \$2.3 million of various land acquisitions
- ◆ \$2.6 million for Public Works Projects (Road Construction, Paving, Improvements, Flood Control)
- ◆ \$1.5 million on the Broad Brook Treatment Plant Upgrade
- ◆ \$1.0 million on Elmere Lagoon Improvements

Additional information on the City of Meriden's capital assets can be found in Note 5 on pages 42-43 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$92.2 million. All of this debt is backed by the full faith and credit of the City.

**City of Meriden, Connecticut  
Outstanding Debt (\$000s)  
General Obligation and Revenue Bonds**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 77,383	\$ 85,617	\$ 14,797	\$ 16,418	\$ 92,180	\$ 102,035
Notes payable			33,458	33,669	33,458	33,669
<b>Total</b>	<b>\$ 77,383</b>	<b>\$ 85,617</b>	<b>\$ 48,255</b>	<b>\$ 50,087</b>	<b>\$ 125,638</b>	<b>\$ 135,704</b>



The City of Meriden’s bonded debt decreased by \$9.9 million or 9.7% during fiscal year 2014.

On December 27, 2012, the City issued \$9.9 million of general obligation refunding bonds; these bonds along with a premium of \$.2 million and issuance costs of \$.1 million were placed into an irrevocable escrow account to advance refund the outstanding principal amounts of \$8.6 million of General Obligation Bonds, Issue of 2008, dated August 1, 2008. These amounts are now considered defeased. This transaction resulted in a reduction of total debt service payments over the next 16 years and present value savings of approximately \$.6 million. The majority of the savings is spread between fiscal year 2014 and 2015.

On February 15, 2013, the City issued \$25.5 million of general obligation bonds with a premium of \$.6 million. Principal payments range from \$.9 million to \$1.4 million. The bonds mature in February of 2033.

The City of Meriden has received an underlying rating from Standard & Poor's Inc. of AA and Fitch of AA-.

In reviewing the City's financial management, Standard & Poor's Inc. "*considers Meriden's management practices "strong" under its FMA methodology, indicating practices that are strong, well embedded, and likely sustainable.*" This is the highest level for "Financial Management Assessment."

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$799.3 million. As of June 30, 2014, the City recorded long-term debt of \$133.9 million related to Governmental Activities and none related to Business-Type Activities that are paid through taxes, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 7 on pages 44-50 of this report.

### **Economic Factors (Updated through September 2014)**

The national economic downturn continued to ease during 2014. As of September 2014, the unemployment rate for Meriden was 7.4%, a decrease from 9.5% in the prior year. Although Meriden's unemployment rate is above the September 2014 New Haven Labor Market Area, which had an unemployment rate of 6.1%, Meriden's unemployment rate in September 2014 remained lower than larger Connecticut cities including the City of New Haven at 8.4% and the City of Hartford at 11.4%. In September 2014, Connecticut's overall unemployment rate stood at 6.4% (seasonally adjusted) compared with 7.6% for the same time a year ago. The United States' September 2014 unemployment rate stood at 5.9% compared to 7.0% percent in September 2013.

The City of Meriden's reliance on property taxes has helped it weather the national economic downturn. With an overwhelming reliance on property taxes, Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. To foster economic development and continued expansion of the tax base, the City administers several business incentive programs, including Enterprise Zone, the Manufacturing Assistance Loan Program, and the C-PACE program, designed to attract, retain and grow business entities in Meriden.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Meriden's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City Hall Room 212, 142 East Main Street, Meriden, Connecticut 06450.

# **Basic Financial Statements**

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF NET POSITION

JUNE 30, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 28,135,615	\$ 6,720,590	\$ 34,856,205
Investments	21,903,605	1,111,059	23,014,664
Receivables, net	15,220,185	8,398,161	23,618,346
Internal balances	(1,178,782)	1,178,782	-
Inventory	215,873		215,873
Other assets	24,965		24,965
Net pension assets	318,360		318,360
Capital assets, nondepreciable	103,617,896	4,991,756	108,609,652
Capital assets, net of accumulated depreciation	151,548,656	122,612,486	274,161,142
Total assets	<u>319,806,373</u>	<u>145,012,834</u>	<u>464,819,207</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	<u>2,248,324</u>	<u>728,645</u>	<u>2,976,969</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	36,656,683	1,180,596	37,837,279
Accrued interest	1,042,755	208,724	1,251,479
Unearned revenue	501,233		501,233
<b>Noncurrent liabilities:</b>			
Due within one year	14,190,925	3,449,289	17,640,214
Due in more than one year	173,664,566	48,731,543	222,396,109
Total liabilities	<u>226,056,162</u>	<u>53,570,152</u>	<u>279,626,314</u>
<b>Deferred Inflows of Resources:</b>			
Advance property tax collections	<u>1,311,506</u>		<u>1,311,506</u>
<b>Net Position:</b>			
Net investment in capital assets	187,903,368	78,892,805	266,796,173
<b>Restricted:</b>			
Expendable - Wallingford Regional Solid Waste Reserve	445,133		445,133
Expendable - Flood Control	480,001		480,001
Nonexpendable - purposes of trust	431,547		431,547
Unrestricted	<u>(94,573,020)</u>	<u>13,278,522</u>	<u>(81,294,498)</u>
<b>Total Net Position</b>	<u>\$ 94,687,029</u>	<u>\$ 92,171,327</u>	<u>\$ 186,858,356</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 15,303,233	\$ 2,107,576	\$ 2,030,422	\$ 2,977,666	\$ (8,187,569)	\$	\$ (8,187,569)
Education	141,547,338	1,029,379	89,723,630	36,029,804	(14,764,525)		(14,764,525)
Public safety	42,606,052	77,455	722,039	424,615	(41,381,943)		(41,381,943)
Public works	14,168,084	1,919,432	30,000	1,131,309	(11,087,343)		(11,087,343)
Human services	9,951,546	292,224	5,571,848		(4,087,474)		(4,087,474)
Culture and recreation	5,720,585	26,851	431,570	728,694	(4,533,470)		(4,533,470)
Interest on long-term debt	3,339,632				(3,339,632)		(3,339,632)
Total governmental activities	<u>232,636,470</u>	<u>5,452,917</u>	<u>98,509,509</u>	<u>41,292,088</u>	<u>(87,381,956)</u>	<u>-</u>	<u>(87,381,956)</u>
Business-type activities:							
Sewer Authority	11,205,741	8,628,935				(2,576,806)	(2,576,806)
Water Authority	11,073,030	10,432,734		128,189		(512,107)	(512,107)
George Hunter Golf Course	1,134,688	981,762				(152,926)	(152,926)
Total business-type activities	<u>23,413,459</u>	<u>20,043,431</u>	<u>-</u>	<u>128,189</u>	<u>-</u>	<u>(3,241,839)</u>	<u>(3,241,839)</u>
Total	<u>\$ 256,049,929</u>	<u>\$ 25,496,348</u>	<u>\$ 98,509,509</u>	<u>\$ 41,420,277</u>	<u>(87,381,956)</u>	<u>(3,241,839)</u>	<u>(90,623,795)</u>
General revenues:							
Property taxes					113,452,083		113,452,083
Grants and contributions not restricted to specific programs					1,751,671		1,751,671
Unrestricted investment earnings					1,326,505	76,322	1,402,827
Miscellaneous income					2,903,746	1,558,076	4,461,822
Total general revenues					<u>119,434,005</u>	<u>1,634,398</u>	<u>121,068,403</u>
Change in net position					32,052,049	(1,607,441)	30,444,608
Net Position at Beginning of Year, as Restated					<u>62,634,980</u>	<u>93,778,768</u>	<u>156,413,748</u>
Net Position at End of Year					<u>\$ 94,687,029</u>	<u>\$ 92,171,327</u>	<u>\$ 186,858,356</u>

The accompanying notes are an integral part of the financial statements



## CITY OF MERIDEN, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,701,514	\$ 11,022,740	\$ 5,728,808	\$ 26,453,062
Investments	14,899,385		1,754,504	16,653,889
Receivables, net of allowance for uncollectibles	5,778,475	2,302,020	5,332,443	13,412,938
Inventory	130,799		85,074	215,873
Other assets	1,987			1,987
Due from other funds	<u>6,226,873</u>		<u>25,000</u>	<u>6,251,873</u>
Total Assets	<u>\$ 36,739,033</u>	<u>\$ 13,324,760</u>	<u>\$ 12,925,829</u>	<u>\$ 62,989,622</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 12,159,689	\$ 20,187,862	\$ 2,403,231	\$ 34,750,782
Due to other funds	175,905	4,634,655	771,000	5,581,560
Unearned revenue	4,583	249,925	246,725	501,233
Total liabilities	<u>12,340,177</u>	<u>25,072,442</u>	<u>3,420,956</u>	<u>40,833,575</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	4,141,962			4,141,962
Unavailable revenue - loans receivable	1,418,552	803,937	2,408,376	4,630,865
Advance property tax collections	1,311,506			1,311,506
Total deferred inflows of resources	<u>6,872,020</u>	<u>803,937</u>	<u>2,408,376</u>	<u>10,084,333</u>
Fund Balances:				
Nonspendable	130,799		516,621	647,420
Restricted	948,144		5,795,245	6,743,389
Committed	404,908		784,631	1,189,539
Unassigned	16,042,985	(12,551,619)		3,491,366
Total fund balances	<u>17,526,836</u>	<u>(12,551,619)</u>	<u>7,096,497</u>	<u>12,071,714</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,739,033</u>	<u>\$ 13,324,760</u>	<u>\$ 12,925,829</u>	<u>\$ 62,989,622</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2014

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$	12,071,714
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	433,398,451
Less accumulated depreciation		<u>(178,231,899)</u>
Net capital assets		255,166,552
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Net pension assets		318,360
Property tax receivables greater than 60 days		4,141,962
Build America Bonds long-term interest receivable		30,737
Loan receivables greater than 60 days		4,630,865
Interest and lien receivable on property taxes		1,498,615
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		(3,404,179)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(77,383,203)
Notes payable		(1,350,000)
Bond premium		(3,149,680)
Deferred charge on refunding		2,248,324
Interest payable on bonds and notes		(1,042,755)
Compensated absences		(19,845,979)
Landfill post-closure monitoring		(585,848)
Net pension obligation		(25,226,920)
OPEB obligation		(41,398,258)
Pollution remediation		(10,684,477)
Claims and judgments		<u>(1,348,801)</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u><u>94,687,029</u></u>

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 114,074,859	\$	\$	\$ 114,074,859
Federal and state government	74,901,851	37,579,336	28,993,107	141,474,294
Charges for services	4,131,564		1,321,353	5,452,917
Investment income	388,525	107,731	269,607	765,863
Other local revenues	1,403,636	471,432	1,097,502	2,972,570
Total revenues	<u>194,900,435</u>	<u>38,158,499</u>	<u>31,681,569</u>	<u>264,740,503</u>
Expenditures:				
Current:				
General government	34,432,669		302,242	34,734,911
Public safety	21,892,068		822,665	22,714,733
Public works	6,858,765		18,669	6,877,434
Health and welfare	2,678,463		5,576,944	8,255,407
Culture and recreation	4,082,838		175,854	4,258,692
Education	113,672,829		20,096,915	133,769,744
Debt service:				
Principal retirement	8,234,000		75,000	8,309,000
Interest and other charges	3,247,944		16,755	3,264,699
Capital outlay		69,177,647	3,312,397	72,490,044
Total expenditures	<u>195,099,576</u>	<u>69,177,647</u>	<u>30,397,441</u>	<u>294,674,664</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(199,141)</u>	<u>(31,019,148)</u>	<u>1,284,128</u>	<u>(29,934,161)</u>
Other Financing Sources (Uses):				
Transfers in	851,982	500,000	77,957	1,429,939
Transfers out	(537,957)	(661,272)	(230,710)	(1,429,939)
Total other financing sources (uses)	<u>314,025</u>	<u>(161,272)</u>	<u>(152,753)</u>	<u>-</u>
Net Change in Fund Balances	114,884	(31,180,420)	1,131,375	(29,934,161)
Fund Balances at Beginning of Year, as Restated	<u>17,411,952</u>	<u>18,628,801</u>	<u>5,965,122</u>	<u>42,005,875</u>
Fund Balances at End of Year	<u>\$ 17,526,836</u>	<u>\$ (12,551,619)</u>	<u>\$ 7,096,497</u>	<u>\$ 12,071,714</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (29,934,161)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	71,243,446
Depreciation expense	(9,216,722)
Loss on disposal of capital assets	(486,780)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	(597,043)
Loans collected after 60 days	(286,121)
Build America Bonds interest receivable	10,150
Decrease in interest and liens receivable	(25,733)
Change in pension assets	12,236

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	8,309,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	95,869
Amortization of premium and deferred charge on refunding	87,305
Other	(258,107)
Change in long-term compensated absences	(1,872,170)
Change in landfill post-closure monitoring	79,922
Change in pollution remediation obligation	(1,448,066)
Change in net pension obligation	56,849
Change in OPEB obligation	(2,161,532)
Change in claims and judgments	186,099

The net expense of the internal service funds is reported with governmental activities.	<u>(1,742,392)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 32,052,049</u>
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The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Property taxes, interest and lien fees	\$ 114,362,295	\$ 114,362,295	\$ 114,074,859	\$ (287,436)
Intergovernmental revenues	60,203,819	61,015,801	60,600,233	(415,568)
Charges for services	4,083,832	4,083,832	4,131,564	47,732
Investment income	497,910	398,243	387,968	(10,275)
Other revenues	821,306	1,321,306	1,332,056	10,750
Total revenues	<u>179,969,162</u>	<u>181,181,477</u>	<u>180,526,680</u>	<u>(654,797)</u>
Expenditures:				
Current:				
General government	32,870,097	33,323,335	32,766,209	557,126
Finance	1,724,999	1,723,072	1,723,061	11
Public safety	21,748,722	21,671,934	21,671,914	20
Public works	6,445,875	6,766,269	6,766,242	27
Health and welfare	2,619,038	2,663,520	2,663,503	17
Culture and recreation	3,996,170	4,034,611	4,034,594	17
Education	99,609,840	99,609,840	99,609,507	333
Debt service:				
Principal retirement	8,234,000	8,234,000	8,234,000	-
Interest and other charges	2,994,568	2,994,568	3,012,811	(18,243)
Total expenditures	<u>180,243,309</u>	<u>181,021,149</u>	<u>180,481,841</u>	<u>539,308</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(274,147)</u>	<u>160,328</u>	<u>44,839</u>	<u>(115,489)</u>
Other Financing Sources (Uses):				
Transfers in	284,147	384,466	851,982	467,516
Transfers out	(10,000)	(544,794)	(544,794)	-
Total other financing sources (uses)	<u>274,147</u>	<u>(160,328)</u>	<u>307,188</u>	<u>467,516</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	352,027	<u>\$ 352,027</u>
Fund Balance at Beginning of Year			<u>16,774,980</u>	
Fund Balance at End of Year			<u>\$ 17,127,007</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Assets:					
Current assets:					
Cash and cash equivalents	\$ 3,304,230	\$ 3,197,534	\$ 218,826	\$ 6,720,590	\$ 1,682,553
Investments	557,207	553,852		1,111,059	5,249,716
Accounts receivable, net	4,150,076	4,248,085		8,398,161	277,895
Due from other funds	2,506,422	1,611,215	21,685	4,139,322	150,905
Other assets				-	22,978
Total current assets	<u>10,517,935</u>	<u>9,610,686</u>	<u>240,511</u>	<u>20,369,132</u>	<u>7,384,047</u>
Noncurrent assets:					
Capital assets, nondepreciable	4,772,500	219,256		4,991,756	
Capital assets, net of accumulated depreciation	38,920,854	81,828,809	1,862,823	122,612,486	
Total noncurrent assets	<u>43,693,354</u>	<u>82,048,065</u>	<u>1,862,823</u>	<u>127,604,242</u>	<u>-</u>
Total assets	<u>54,211,289</u>	<u>91,658,751</u>	<u>2,103,334</u>	<u>147,973,374</u>	<u>7,384,047</u>
Deferred Outflows of Resources:					
Deferred charge on refunding	<u>691,158</u>	<u>37,487</u>		<u>728,645</u>	
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	858,640	291,389	30,567	1,180,596	22,395
Accrued interest	164,864	42,616	1,244	208,724	
Claims payable				-	2,294,108
Due to other funds			2,960,540	2,960,540	2,000,000
Current portion of bonds and notes payable	1,233,707	2,060,265	15,000	3,308,972	
Current portion of compensated absences	100,780	26,077	13,460	140,317	
Total current liabilities	<u>2,357,991</u>	<u>2,420,347</u>	<u>3,020,811</u>	<u>7,799,149</u>	<u>4,316,503</u>
Noncurrent liabilities:					
Compensated absences	860,879	355,898	137,712	1,354,489	
Bonds and notes payable, less current portion	11,523,432	33,812,033	67,000	45,402,465	
OPEB obligation	1,366,858	534,366	73,365	1,974,589	
Claims incurred but not reported				-	6,471,723
Total noncurrent liabilities	<u>13,751,169</u>	<u>34,702,297</u>	<u>278,077</u>	<u>48,731,543</u>	<u>6,471,723</u>
Total liabilities	<u>16,109,160</u>	<u>37,122,644</u>	<u>3,298,888</u>	<u>56,530,692</u>	<u>10,788,226</u>
Net Position:					
Net investment in capital assets	30,936,215	46,175,767	1,780,823	78,892,805	
Unrestricted	<u>7,857,072</u>	<u>8,397,827</u>	<u>(2,976,377)</u>	<u>13,278,522</u>	<u>(3,404,179)</u>
Total Net Position	<u>\$ 38,793,287</u>	<u>\$ 54,573,594</u>	<u>\$ (1,195,554)</u>	<u>\$ 92,171,327</u>	<u>\$ (3,404,179)</u>

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Sewer	Fund		Internal
			George Hunter Memorial Golf Course	Service Funds	
Operating Revenues:					
Charges for services	\$ 10,432,734	\$ 8,628,935	\$ 981,762	\$ 20,043,431	\$ 26,938,809
Miscellaneous	887,856	618,828	51,392	1,558,076	826,917
Total operating revenues	<u>11,320,590</u>	<u>9,247,763</u>	<u>1,033,154</u>	<u>21,601,507</u>	<u>27,765,726</u>
Operating Expenses:					
Salaries and benefits	4,090,847	1,723,788	369,150	6,183,785	
Medical claims				-	24,953,253
Materials and supplies	951,816	1,554,869	395,167	2,901,852	
Utilities	931,611	950,661		1,882,272	
Administration and operation	2,178,938	774,680		2,953,618	2,400,361
Depreciation	1,750,266	4,025,418	119,598	5,895,282	
Other	630,534	1,341,928	206,058	2,178,520	2,715,146
Total operating expenses	<u>10,534,012</u>	<u>10,371,344</u>	<u>1,089,973</u>	<u>21,995,329</u>	<u>30,068,760</u>
Operating Income (Loss)	<u>786,578</u>	<u>(1,123,581)</u>	<u>(56,819)</u>	<u>(393,822)</u>	<u>(2,303,034)</u>
Nonoperating Revenues (Expenses):					
Capital contributions	128,189			128,189	
Interest income	29,854	46,221	247	76,322	560,642
Interest expense	(539,018)	(834,397)	(44,715)	(1,418,130)	
Total nonoperating revenues (expenses)	<u>(380,975)</u>	<u>(788,176)</u>	<u>(44,468)</u>	<u>(1,213,619)</u>	<u>560,642</u>
Change in Net Position	405,603	(1,911,757)	(101,287)	(1,607,441)	(1,742,392)
Net Position at Beginning of Year	<u>38,387,684</u>	<u>56,485,351</u>	<u>(1,094,267)</u>	<u>93,778,768</u>	<u>(1,661,787)</u>
Net Position at End of Year	<u>\$ 38,793,287</u>	<u>\$ 54,573,594</u>	<u>\$ (1,195,554)</u>	<u>\$ 92,171,327</u>	<u>\$ (3,404,179)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 10,511,498	\$ 9,026,179	\$ 1,055,201	\$ 20,592,878	\$ 29,335,170
Payments to suppliers	(4,563,300)	(4,718,050)	(599,242)	(9,880,592)	(30,245,566)
Payments to employees	(4,175,067)	(1,695,698)	(402,658)	(6,273,423)	
Net receipts from interfund transactions	1,140,077	653,309	37,733	1,831,119	1,299,900
Net cash provided by operating activities	<u>2,913,208</u>	<u>3,265,740</u>	<u>91,034</u>	<u>6,269,982</u>	<u>389,504</u>
Cash Flows from Capital and Related Financing Activities:					
Receipts of capital grants	128,189			128,189	
Additions to capital assets	(2,103,808)	(572,607)		(2,676,415)	
Issuance of drinking fund loans	497,127			497,127	
Amortization of deferred charge on refunding	56,619	2,585		59,204	
Principal payments of bonds	(1,230,000)	(376,000)	(15,000)	(1,621,000)	
Principal payments of clean water fund loans	(112,849)	(1,695,726)		(1,808,575)	
Interest paid on capital debt	(539,018)	(834,397)	(44,715)	(1,418,130)	
Net cash used in capital and related financing activities	<u>(3,303,740)</u>	<u>(3,476,145)</u>	<u>(59,715)</u>	<u>(6,839,600)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Purchases of investments	(11,732)	(11,678)		(23,410)	(2,692,125)
Sale of investments				-	307,165
Interest on investments	29,854	46,221	247	76,322	560,642
Loss on disposal of asset	2,413			2,413	
Net cash provided by (used in) investing activities	<u>20,535</u>	<u>34,543</u>	<u>247</u>	<u>55,325</u>	<u>(1,824,318)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(369,997)	(175,862)	31,566	(514,293)	(1,434,814)
Cash and Cash Equivalents at Beginning of Year	<u>3,674,227</u>	<u>3,373,396</u>	<u>187,260</u>	<u>7,234,883</u>	<u>3,117,367</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,304,230</u>	<u>\$ 3,197,534</u>	<u>\$ 218,826</u>	<u>\$ 6,720,590</u>	<u>\$ 1,682,553</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ 786,578	\$ (1,123,581)	\$ (56,819)	\$ (393,822)	\$ (2,303,034)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	1,750,266	4,025,418	119,598	5,895,282	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(809,092)	(221,584)	28,317	(1,002,359)	1,592,422
(Increase) decrease in due from other funds	1,140,077	653,309		1,793,386	(456,788)
(Increase) decrease in other assets				-	(22,978)
Increase (decrease) in accounts payable and accrued items	129,599	(95,912)	1,983	35,670	(176,806)
Increase (decrease) in deferred revenue			(6,270)	(6,270)	
Increase (decrease) in compensated absences	(79,033)	35,578	(33,798)	(77,253)	
Increase (decrease) in OPEB obligation	(5,187)	(7,488)	290	(12,385)	
Increase (decrease) in due to other funds			37,733	37,733	1,756,688
Total adjustments	<u>2,126,630</u>	<u>4,389,321</u>	<u>147,853</u>	<u>6,663,804</u>	<u>2,692,538</u>
Net Cash Provided by Operating Activities	<u>\$ 2,913,208</u>	<u>\$ 3,265,740</u>	<u>\$ 91,034</u>	<u>\$ 6,269,982</u>	<u>\$ 389,504</u>
Noncash Investing, Capital and Financing Activities:					
Construction in progress completed	<u>\$ (955,896)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (955,896)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements



## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2014

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 12,712,996	\$ 687,442	\$ 250,401	\$ 3,028,203
Investments, at fair value:				
US treasury bonds	8,289,965			
Corporate bonds	20,962,358		148,182	
Equities	138,053,784	17,372,465		
Mutual funds	34,520,932			
Other	42,630,959	1,143,664		201,386
Total investments	<u>244,457,998</u>	<u>18,516,129</u>	<u>148,182</u>	<u>201,386</u>
Accounts receivable	<u>432,654</u>	<u>88,438</u>		<u>30,034</u>
Total assets	257,603,648	19,292,009	398,583	<u>\$ 3,259,623</u>
Liabilities:				
Other liabilities	<u>2,330</u>	<u>-</u>	<u>-</u>	<u>\$ 3,259,623</u>
Net Position:				
Held in Trust for Pension				
Benefits and Other Purposes	<u>\$ 257,601,318</u>	<u>\$ 19,292,009</u>	<u>\$ 398,583</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>
Additions:			
Contributions:			
Employer	\$ 9,326,700	\$ 5,162,364	\$
Plan members	3,892,875	3,423,254	
Total contributions	<u>13,219,575</u>	<u>8,585,618</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	29,855,174	2,299,966	
Interest and dividends	4,673,072	327,888	3,601
Total investment earnings	<u>34,528,246</u>	<u>2,627,854</u>	<u>3,601</u>
Less investment expenses:			
Investment management fees	1,404,025		
Net investment earnings	<u>33,124,221</u>	<u>2,627,854</u>	<u>3,601</u>
Total additions	<u>46,343,796</u>	<u>11,213,472</u>	<u>3,601</u>
Deductions:			
Benefits	21,909,344	4,635,349	9,163
Administrative expense	96,264	413,870	
Other	311,900	38,202	
Total deductions	<u>22,317,508</u>	<u>5,087,421</u>	<u>9,163</u>
Change in Net Position	24,026,288	6,126,051	(5,562)
Net Position at Beginning of Year	<u>233,575,030</u>	<u>13,165,958</u>	<u>404,145</u>
Net Position at End of Year	<u>\$ 257,601,318</u>	<u>\$ 19,292,009</u>	<u>\$ 398,583</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Meriden, Connecticut (the City) was settled in 1661, incorporated as a Town in 1806 and as a City in 1867. It operates under a Council/Manager form of government. The City Manager is appointed by the Council and serves as the Chief Executive Officer.

The City provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

**B. Basis of Presentation**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, special assessments, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities such as debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Bonded Projects Fund* is used to account for resources used for capital expenditures or for the acquisition or construction of capital facilities, improvements and equipment. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low interest State loans.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operations of the City's water supply system. Its operations are financed from direct charges to the users of the service.

The *Sewer Fund* accounts for the operations of the City's wastewater treatment system. The City operates its own sewage treatment plant, sewage pumping stations and collection system. Its operations are financed from direct charges to the users of the service.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for employee health insurance and workers' compensation insurance provided to departments of the City and Board of Education.

The *Private Purpose Trust Funds* accounts for assets held by the City in a trustee capacity for various scholarship and cemetery trusts.

The *Pension Trust Funds* are used to account for activities of the City's three defined benefit plans that accumulate resources for pension benefit payments to qualified employees. As part of these trust funds, an amount is segregated to pay for retiree health benefits. These funds are also presented with the pension trust funds.

The *OPEB (Other Post Employment Benefit) Trust Fund* is used to account for the activities for both City and Board of Education for other post employment benefits (e.g., health insurance, life insurance) that accumulate resources for other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, senior trip funds, performance bonds, and South Meriden Volunteer Fire Department Award Program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

### **C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

### **D. Investments**

Investments are stated at fair value.

### **E. Inventories**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

### **F. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, including those for the Water and Sewer Funds, are shown net of an allowance for uncollectible accounts.

An estimate has been recorded for utility service provided, but not billed, at the end of the fiscal year.

### **G. Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	40-50
Building improvements	7-30
Infrastructure	65
Machinery and equipment	5-30
Vehicles	7

#### **H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

#### **I. Compensated Absences**

Under the terms of its various union contracts, City and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation and sick days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are paid for accumulated vacation and sick time. The City recognizes a liability for the vested portion, as well as the unvested portion, to the extent expected to be paid, as compensated absences. Compensated absences are reported in governmental funds only if they have matured.

## **J. Net Pension Asset/Obligation and Other Post Employment (OPEB) Obligations**

The net pension asset/obligation and net OPEB obligation represent the cumulative difference between the annual pension/OPEB cost and the City's contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent asset and liability in the government-wide financial statements and proprietary fund statements as applicable.

## **K. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **L. Equity**

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Restrictions are externally imposed on net position by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.



Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance - This balance represents amounts constrained for the intent to be used for a specific purpose by the Director of Purchasing for the City, who has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The City has a written minimum fund balance policy that states that the goal of the City is that uncommitted fund balance of the City equal one month's expenditures or 8.33% of the City's most recent approved operating budget. The City has revised the policy to conform to the language contained in the Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

## **M. Property Taxes**

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in four quarterly installments (July 1, October 1, January 1 and April 1). Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in one single payment on July 1. Liens are filed on delinquent real estate taxes within one year. Statutory interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. The City files a lien on the property for taxes that were due July 1 and remain unpaid on the following May 1.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

## **N. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary Information

The annual budget is adopted by the City Council and employed for management control of the General Fund, Water Fund, Sewer Fund and Golf Fund.

The budget process is as follows:

- a. At least 180 days prior to the beginning of the fiscal year, the manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.
- b. At least 180 days prior to the beginning of the fiscal year, the City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- c. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- d. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy five (75) days prior to the beginning of the fiscal year.
- e. Within 20 days after the final public hearing, the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- f. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- g. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
- h. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- i. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations must be approved by the City Council. Additional appropriations by the City Council may not exceed 1-1/2% of the General Fund budget as established for the current year, without levying a special tax.

There were additional appropriations of \$1,312,634 for the General Fund, \$491,405 for the Sewer Fund, and \$597,963 for the Water Fund during the year ended June 30, 2014, which was funded through fund balance/net position.

- j. The Board of Education may transfer unexpended balances from one account to another within its line appropriation. A number of such transfers occurred during the year.

- k. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

The City's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either assigned, committed or restricted fund balance.

A reconciliation of revenues, expenditures and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	<b>Revenues and Other Financing Sources</b>	<b>Expenditures and Other Financing Uses</b>	<b>Fund Balance</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance, budgetary basis	\$ 181,378,662	\$ 181,026,635	\$ 17,127,007
Excess cost (net for budgetary)	1,230,218	1,230,218	
BABs subsidy	235,133	235,133	
State Teachers' Retirement on-behalf payment	12,836,267	12,836,267	
Funds consolidated for GASB 54 purposes	<u>72,137</u>	<u>309,280</u>	<u>399,829</u>
Balance, GAAP Basis	<u>\$ 195,752,417</u>	<u>\$ 195,637,533</u>	<u>\$ 17,526,836</u>

### **B. Deficit Fund Equity**

For the year ended June 30, 2014, the following funds had deficit balances:

Bonded Projects	\$ 12,551,619
Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	1,195,554
Internal Service Fund:	
Workers' Compensation Fund	5,732,869

These amounts will be funded through bonds, contributions and future revenues.

### **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an "out of state bank" as defined by the Statutes, which is not a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate-of-return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

## Deposits

*Deposit Custodial Credit Risk* - Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$38,271,957 of the City’s bank balance of \$41,521,957 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 34,119,760
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>4,152,197</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 38,271,957</u></u>

## Cash Equivalents

At June 30, 2014, the City's cash equivalents amounted to \$12,102,317. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard &amp; Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
Multi-Bank Securities, Inc.	*
Northern Capital Investments	*
Wells Fargo	*
Stifel Nicolaus & Company, Incorporated	*

\* Not rated

## Investments

As of June 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>			
			<u>N/A</u>	<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
U.S. Government Agencies	Aaa	\$ 15,030,945	\$	785,838	\$ 14,244,728	\$ 379
U.S. Treasury Bonds	Aaa	55,544				55,544
Corporate and Foreign Bonds	Aaa	833,918			833,918	
Corporate and Foreign Bonds	Aa2	1,453,795		606,924	846,871	
Corporate and Foreign Bonds	A1	3,376,927		842,251	2,534,676	
Corporate and Foreign Bonds	A2	2,522,796		453,706	2,069,090	
Corporate and Foreign Bonds	A3	1,468,162			1,468,162	
Corporate and Foreign Bonds	Baa1	2,758,210		664,437	2,093,773	
Corporate and Foreign Bonds	Baa2	1,904,548			1,904,548	
Corporate and Foreign Bonds	B1	25,226			25,226	
Mutual Funds	N/A	1,263,400	1,263,400			
Certificates of Deposit	N/A	16,156,627		3,330,387	12,826,240	
Common Equity Securities	N/A	882,807	882,807			
Preferred Equity Securities	N/A	59,787	59,787			
Fixed Income Securities	N/A	19,062,667	19,062,667			
Stocks and Options	N/A	179,688,069	179,688,069			
Other	N/A	39,794,931	39,794,931			
Total Investments		<u>\$ 286,338,359</u>	<u>\$ 240,751,661</u>	<u>\$ 6,683,543</u>	<u>\$ 38,847,232</u>	<u>\$ 55,923</u>

N/A - Not applicable

*Interest Rate Risk* - The City's investment policy states that the weighted average maturity of the portfolio shall not exceed 12 years and the maturity of any single issue shall not exceed 30 years. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. It is the City's policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400.

*Concentration of Credit Risk* - The City's investment policy states that the exposure of the portfolio to any one issuer, other than securities of the U.S. government or agencies, shall not exceed 8% of the fair value of the fixed income portfolio.

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2014, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

## **Pension**

The investments of the City's pension funds have their own policies and limitations on investments.

Investment managers and advisors must discharge their responsibilities in accordance with the fiduciary provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and supporting regulations, unless specifically exempted by a vote of the Board.

Equity investments in any one company by any one advisor shall be limited at purchase of 10% of the total assets under management and/or 5% of the company's total outstanding equity. Corporate fixed income investments shall be limited to the first four quality grades as established by one or more of the nationally recognized bond rating services, except by a specific vote of the Board to permit inclusion of some lesser-rated issues within an investment grade portfolio. In no event should the debt securities of any corporation exceed 10% of the assets under management of any one advisor.

There shall be no investments in:

- Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depositary Receipts (ADRs) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager;
- Securities issued by a participating employer, except to the extent permitted under ERISA;
- Private placements, without affirmative Board approval;
- Real estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.

Uninvested cash balances should be kept at a minimum through the prompt investment of available funds in short-term or more permanent security holdings.

Each investment advisor, consultant, custodian or contractor shall be required to be available for at least one annual meeting with the Meriden Retirement Board. Results based on a total rate of return (including both realized and unrealized capital gains and losses) will be evaluated for each advisor to the Board over a complete market cycle. However, the Board retains the right (and obligation) to address issues of lagging performance at any time during a contract cycle.

#### 4. RECEIVABLES

The receivables as of June 30, 2014 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<b>Governmental and Fiduciary Type Funds</b>			
	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor, Internal Service, and Fiduciary Funds</b>	<b>Total</b>
Property taxes	\$ 9,245,206	\$	\$	\$ 9,245,206
Accounts	507,125	59,447	292,935	859,507
Intergovernmental	26,072	1,438,636	2,166,568	3,631,276
Loans		803,937	2,634,039	3,437,976
Other	1,315		1,293,585	1,294,900
Gross receivables	<u>9,779,718</u>	<u>2,302,020</u>	<u>6,387,127</u>	<u>18,468,865</u>
Less: Allowance for collection losses	<u>4,001,243</u>		<u>225,663</u>	<u>4,226,906</u>
Net Total Receivables	<u>\$ 5,778,475</u>	<u>\$ 2,302,020</u>	<u>\$ 6,161,464</u>	<u>\$ 14,241,959</u>
	<b>Business-Type Funds</b>			
	<b>Water Authority</b>	<b>Sewer Authority</b>	<b>Total</b>	
Use charges	\$ 1,467,193	\$ 1,574,964	\$ 3,042,157	
Interest and liens	209,047	229,387	438,434	
Assessments		153,625	153,625	
Unbilled	2,757,074	2,608,166	5,365,240	
Other	3,165	5,303	8,468	
Gross receivables	<u>4,436,479</u>	<u>4,571,445</u>	<u>9,007,924</u>	
Less: Allowance for collection losses	<u>286,403</u>	<u>323,360</u>	<u>609,763</u>	
Net Total Receivables	<u>\$ 4,150,076</u>	<u>\$ 4,248,085</u>	<u>\$ 8,398,161</u>	

The table above does not contain Build America Bond interest receivable.

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 22,478,996	\$ 2,273,967	\$ 5,000	\$ 24,747,963
Construction in progress	21,376,298	63,170,617	5,676,982	78,869,933
Total capital assets not being depreciated	<u>43,855,294</u>	<u>65,444,584</u>	<u>5,681,982</u>	<u>103,617,896</u>
Capital assets being depreciated:				
Land improvements	18,889,533	449,497		19,339,030
Buildings and improvements	182,229,351	6,426,566	763,880	187,892,037
Machinery and equipment	11,677,090	882,193	48,511	12,510,772
Vehicles	12,881,079	1,841,446	409,778	14,312,747
Infrastructure	93,844,827	1,881,142		95,725,969
Total capital assets being depreciated	<u>319,521,880</u>	<u>11,480,844</u>	<u>1,222,169</u>	<u>329,780,555</u>
Less accumulated depreciation for:				
Land improvements	10,832,237	699,016		11,531,253
Buildings and improvements	81,286,402	4,254,850	299,586	85,241,666
Machinery and equipment	6,918,057	781,398	48,511	7,650,944
Vehicles	10,487,527	770,077	387,292	10,870,312
Infrastructure	60,226,343	2,711,381		62,937,724
Total accumulated depreciation	<u>169,750,566</u>	<u>9,216,722</u>	<u>735,389</u>	<u>178,231,899</u>
Total capital assets being depreciated, net	<u>149,771,314</u>	<u>2,264,122</u>	<u>486,780</u>	<u>151,548,656</u>
Governmental Activities Capital Assets, Net	<u>\$ 193,626,608</u>	<u>\$ 67,708,706</u>	<u>\$ 6,168,762</u>	<u>\$ 255,166,552</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,088,531	\$ 50,000	\$	\$ 1,138,531
Construction in progress	3,283,483	1,525,728	955,986	3,853,225
Total capital assets not being depreciated	<u>4,372,014</u>	<u>1,575,728</u>	<u>955,986</u>	<u>4,991,756</u>
Capital assets being depreciated:				
Land improvements	14,554,223	1,795,522		16,349,745
Buildings and improvements	68,920,217	53,147		68,973,364
Machinery and equipment	27,168,982	188,004	194,496	27,162,490
Vehicles	2,337,148		48,229	2,288,919
Infrastructure	120,692,592			120,692,592
Total capital assets being depreciated	<u>233,673,162</u>	<u>2,036,673</u>	<u>242,725</u>	<u>235,467,110</u>
Less accumulated depreciation for:				
Land improvements	2,719,413	759,706		3,479,119
Buildings and improvements	30,864,354	1,742,714		32,607,068
Machinery and equipment	13,128,898	1,445,882	192,082	14,382,698
Vehicles	1,899,195	87,562	48,229	1,938,528
Infrastructure	58,587,793	1,859,418		60,447,211
Total accumulated depreciation	<u>107,199,653</u>	<u>5,895,282</u>	<u>240,311</u>	<u>112,854,624</u>
Total capital assets being depreciated, net	<u>126,473,509</u>	<u>(3,858,609)</u>	<u>2,414</u>	<u>122,612,486</u>
Business-Type Activities Capital Assets, Net	<u>\$ 130,845,523</u>	<u>\$ (2,282,881)</u>	<u>\$ 958,400</u>	<u>\$ 127,604,242</u>



Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 316,115
Education	3,466,975
Public safety	1,019,661
Public works	3,467,254
Recreation	849,110
Human services	<u>97,607</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>9,216,722</u></u>
Business-type activities:	
Water Authority	\$ 1,750,266
Sewer Authority	4,025,418
Golf Course	<u>119,598</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u><u>5,895,282</u></u>

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans were generally as a result of the timing between the date payments occur between funds for various activities including capital outlay. The composition of interfund balances as of June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 495,333
	Internal Service Funds	2,000,000
	Nonmajor Governmental Funds	771,000
	Nonmajor Proprietary Fund	<u>2,960,540</u>
		6,226,873
Nonmajor Governmental Funds	General Fund	25,000
Water Fund	Bonded Projects Fund	2,506,422
Sewer Fund	Bonded Projects Fund	1,611,215
Nonmajor Proprietary Fund	Bonded Projects Fund	21,685
Internal Service Funds	General Fund	<u>150,905</u>
		\$ <u><u>10,542,100</u></u>

For the most part, all balances are expected to be repaid within a year.

Interfund balances are a result of temporary loans to various funds. The transfers that occurred during the year are as follows:

	<b>Transfers In</b>			<b>Total Transfers Out</b>
	<b>General Fund</b>	<b>Bonded Project Fund</b>	<b>Nonmajor Governmental Funds</b>	
Transfers out:				
General Fund	\$	\$ 500,000	\$ 37,957	\$ 537,957
Bonded Projects Fund	621,272		40,000	661,272
Nonmajor Governmental Funds	<u>230,710</u>			<u>230,710</u>
Total Transfers In	<u>\$ 851,982</u>	<u>\$ 500,000</u>	<u>\$ 77,957</u>	<u>\$ 1,429,939</u>

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 85,617,203	\$	\$ 8,234,000	\$ 77,383,203	\$ 9,048,203
Premium on bonds	3,438,474		288,794	3,149,680	
Notes payable	1,425,000		75,000	1,350,000	75,000
Compensated absences	17,973,809	3,240,550	1,368,380	19,845,979	1,214,217
Workman's compensation	2,115,089	2,764,486	2,754,555	2,125,020	708,340
Heart and hypertension	4,735,072	520,619	498,386	4,757,305	1,585,768
Landfill post-closure monitoring	665,770		79,922	585,848	82,000
Net pension obligation	25,283,769	6,952,946	7,009,795	25,226,920	
OPEB obligation	39,236,726	7,323,905	5,162,373	41,398,258	
Pollution remediation	9,236,411	1,448,066		10,684,477	1,377,397
Claims and judgments	<u>1,534,900</u>	<u>38,901</u>	<u>225,000</u>	<u>1,348,801</u>	<u>100,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 191,262,223</u>	<u>\$ 22,289,473</u>	<u>\$ 25,696,205</u>	<u>\$ 187,855,491</u>	<u>\$ 14,190,925</u>
Business-Type Activities:					
General obligation bonds	\$ 16,417,797	\$	\$ 1,621,000	\$ 14,796,797	\$ 1,571,797
Premium on bonds	501,436		44,327	457,109	
Compensated absences	1,572,059	103,726	180,979	1,494,806	140,317
OPEB obligation	1,986,973	309,222	321,606	1,974,589	
Clean water/drinking water notes	<u>33,668,954</u>	<u>1,597,153</u>	<u>1,808,576</u>	<u>33,457,531</u>	<u>1,737,175</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 54,147,219</u>	<u>\$ 2,010,101</u>	<u>\$ 3,976,488</u>	<u>\$ 52,180,832</u>	<u>\$ 3,449,289</u>

For the governmental activities, compensated absences, net pension obligations and net other post employment benefits obligations are generally liquidated by the General Fund.

## General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations of the City for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the City. Certain general obligation bonds are to be repaid by revenues of the enterprise funds.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2014</u>
Governmental:						
General purpose:						
General obligation	8/1/06	8/1/16	4-5%	\$ 16,134,700	various	\$ 5,160,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	3,007,000
General obligation, Series A	5/4/10	8/1/22	3-5%	11,627,000	various	7,809,000
General obligation, Series B	5/4/10	8/1/23	3-5%	21,142,000	various	15,467,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	18,764,086	various	15,227,000
General obligation	12/18/12	8/1/28	1-2.65%	6,400,000	various	6,290,000
General obligation	1/31/13	2/15/33	1-3%	24,423,203	various	24,423,203
Total governmental activities						<u>77,383,203</u>
Business-Type:						
General purpose:						
General obligation	8/1/06	8/1/16	4-5%	4,110,300	various	1,110,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	1,643,000
General obligation, Series A	5/4/10	8/1/22	3-5%	163,000	various	81,000
General obligation, Series B	5/4/10	8/1/23	3-5%	5,558,000	various	4,573,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	3,565,914	various	2,893,000
General obligation	12/18/12	8/1/28	1-2.65%	3,500,000	various	3,440,000
General obligation	1/31/13	2/15/33	1-3%	1,056,797	various	1,056,797
Total business-type activities						<u>14,796,797</u>
Total Outstanding						<u>\$ 92,180,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 9,048,203	\$ 2,900,225	\$ 1,571,797	\$ 572,492
2016	7,912,000	2,546,337	1,253,000	514,311
2017	7,921,000	2,225,114	1,254,000	463,862
2018	5,124,000	1,944,539	876,000	417,877
2019	4,811,000	1,727,522	864,000	378,357
2020	4,815,000	1,526,227	865,000	338,977
2021	3,767,000	1,342,208	868,000	301,738
2022	3,756,000	1,183,461	869,000	264,245
2023	3,764,000	1,045,611	871,000	224,841
2024	3,414,000	910,167	871,000	184,994
2025	3,407,000	791,204	868,000	151,644
2026	3,389,000	678,409	856,000	124,004
2027	3,373,000	564,372	847,000	96,117
2028	3,355,000	445,908	835,000	67,325
2029	3,337,000	320,739	823,000	37,734
2030	2,263,000	211,935	237,000	17,128
2031	1,309,000	117,810	56,000	5,040
2032	1,309,000	78,540	56,000	3,360
2033	1,309,000	39,270	56,000	1,680
Total	\$ <u>77,383,203</u>	\$ <u>20,599,598</u>	\$ <u>14,796,797</u>	\$ <u>4,165,724</u>

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$2,290,360 for governmental activities and \$435,306 for business-type activities.

### **Build America Bonds**

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act), authorizes state and local governments to issue two general types of taxable Build America Bonds (Taxable BABs) with the federal government providing subsidies for a portion of their borrowing cost. One type of Taxable BAB provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer (Taxable BABs - Direct Payment). General Obligation Bonds, Issue of 2010 were issued as Taxable BABs - Direct Payment on July 1, 2010 for \$22,330,000. Pursuant to the Recovery Act, the City will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the General Obligation Bonds, Issue of 2010 on or about each interest payment date. Such subsidy payment will be revenue to the City under the General Bond Resolution. No holders of the General Obligation Bonds, Issue of 2010 will be entitled to a tax credit. The receipt of the subsidy by the City is not a condition of payment of any portion of the principal and interest on the General Obligation Bonds, Issue of 2010. However, if the subsidy payments are reduced or eliminated, the General Obligation Bonds, Issue of 2010 are subject to extraordinary optional redemption. In fiscal year 2014, both subsidy payments received were reduced by 7.2% or \$10,855 each.

## Water Fund Loans Payable

### Clean Water Fund Loans

The State of Connecticut under the Clean Water Fund Program issued the project loan obligation. The loan proceeds financed the sanitary sewer construction projects. The obligation will be paid from future user fees.

### Drinking Water Fund Loans

The Drinking Water Fund Program issued a permanent funding obligation loan, which is recorded in the Water Fund, for the year ended June 30, 2014. The loan proceeds are being used to finance the upgrade to the Broad Brook Treatment Plant. The obligation will be paid from future user fees.

Project loan obligations payable to the State of Connecticut mature as follows:

Year Ending June 30	Clean Water Notes		Drinking Water Notes		Total Business-Type	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,670,194	\$ 624,471	\$ 66,981	\$ 29,074	\$ 1,737,175	\$ 653,545
2016	1,703,330	590,764	68,333	28,963	1,771,663	619,727
2017	1,737,134	556,389	69,712	28,851	1,806,846	585,240
2018	1,757,332	521,331	71,119	28,739	1,828,451	550,070
2019	1,778,235	485,863	72,554	28,627	1,850,789	514,490
2020	1,814,127	449,970	74,019	28,514	1,888,146	478,484
2021	1,850,744	413,353	75,513	28,402	1,926,257	441,755
2022	1,888,100	375,997	77,037	28,289	1,965,137	404,286
2023	1,926,210	337,887	78,592	28,176	2,004,802	366,063
2024	1,965,090	299,008	80,178	28,063	2,045,268	327,071
2025	2,004,754	259,344	81,797	27,950	2,086,551	287,294
2026	2,045,218	218,879	83,448	27,836	2,128,666	246,715
2027	2,086,500	177,598	85,132	27,722	2,171,632	205,320
2028	2,128,615	135,483	86,850	27,608	2,215,465	163,091
2029	2,171,579	92,518	88,603	27,494	2,260,182	120,012
2030	2,215,411	48,687	90,392	27,380	2,305,803	76,067
2031	1,177,268	8,473	92,216	27,266	1,269,484	35,739
2032	53,387	313	94,078	27,151	147,465	27,464
2033			47,749	27,036	47,749	27,036
	<u>\$ 31,973,228</u>	<u>\$ 5,596,328</u>	<u>\$ 1,484,303</u>	<u>\$ 533,141</u>	<u>\$ 33,457,531</u>	<u>\$ 6,129,469</u>

## HUD Loan

The United States Department of Housing and Urban Development issued the City a Section 108 Loan on October 14, 2011, which carries interest at 0.2% above London Interbank Offered Rate (LIBOR). The loan proceeds financed part of the demolition and cleanup of Factory H. The obligation will be paid from future CDBG allocations.

Project loan obligations payable to the United States Department of Housing and Urban Development mature as follows:

	<b>HUD Note</b>	
	<b>Principal</b>	<b>Interest</b>
2015	\$ 75,000	\$ 33,349
2016	75,000	32,936
2017	75,000	32,336
2018	75,000	31,530
2019	75,000	30,495
2020	75,000	29,254
2021	75,000	27,821
2022	75,000	26,134
2023	75,000	24,255
2024	75,000	22,283
2025	75,000	20,179
2026	75,000	17,978
2027	75,000	15,739
2028	75,000	13,451
2029	75,000	11,130
2030	75,000	8,764
2031	75,000	6,337
2032	75,000	3,855
	<u>\$ 1,350,000</u>	<u>\$ 387,826</u>

## Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2014 is \$57,808,204, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

## Landfill Post-Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating \$585,848, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2014. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

## **Pollution Remediation**

“Factory H” includes two City parcels (77 Cooper Street and 104 Butler Street), which have contaminated soils. The liability is \$7,752,000, which is made up of \$10,352,000 less estimated recoveries from the state and federal governments of \$2,600,000. Management has estimated this liability taking into account data based on estimates from the engineering department. Major assumptions were made since the remediation of the Factory H site will be fully integrated into the Harbor Brook Flood Control project and redevelopment plans for the site, which are yet to be finalized. Costs are likely to change based on the final flood control design, site re-use and redevelopment plans, as well as other factors. It is assumed that no active groundwater remediation will be required, environmental land use restrictions will be placed on the site, and operations and maintenance of the engineered control will be minimal, similar to that approved for the Meriden HUB project. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2014, the City has received \$800,000 from the United States Environmental Protection Agency, a loan of \$1,500,000 from the United States Department of Housing and Urban Development and \$300,000 from the State of Connecticut Department of Economic and Community Development (DECD).

The “HUB” also includes two City parcels (1-77 State Street and 50 East Main Street), which also have contaminated soils. The liability is \$1,337,397, which is made up of \$2,694,811 less estimated recoveries from the federal and state governments of \$1,357,414. Management has estimated this liability taking into account data based on estimates from its consulting firm. The current estimate of environmental liabilities for the Meriden HUB is based on environmental reports prepared for the City of Meriden by AECOM, including “Remedial Action Plan, Meriden HUB Site, Prepared by AECOM, June 2012,” and “Engineer’s Opinion of Probable Costs for Flood Control, Site Remediation, and Site Improvements to Harbor Brook/HUB Meriden, Meriden, Connecticut MMI No. 1261-30 September 13, 2013.” Projected environmental liabilities assumes the removal of contaminated soils that exceed specific Connecticut Remediation Standard Regulations (RSR) criteria, including extractable petroleum hydrocarbons, semi-volatile organic compounds, volatile organic compounds (including trichloroethylene) and a number of metals (antimony, arsenic, lead and mercury); soil management during construction of a flood storage basin; and construction of an Engineered Control (EC) cap to gain compliance with the Connecticut RSR Direct Exposure Criteria for soil/fill that will remain on-site following construction of the flood control storage area. Following the construction of the flood basin and implementation of the Remedial Action Plan, an Environmental Land Use Restriction will remain on the site in perpetuity to ensure that there will be no disturbance of the EC cap and materials beneath the cap. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2014, the City was awarded \$200,000 from the United States Environmental Protection Agency for cleanup of 50 East Main Street, which is part of the HUB site, and was awarded \$1,157,414 from the State of Connecticut DECD and Department of Energy and Environmental Protection for cleanup activities.

116 Cook Avenue has contaminated soil and an underground storage tank contributing to the contamination. In addition, projected environmental liabilities assume the removal of hazardous substances, including PCBs, asbestos, mercury and lead, from the building, which is comprised of three sections and 85,944 total square feet. The liability is \$1,069,600, which is made up of \$1,269,600 less estimated recoveries from the federal government of \$200,000. Management has estimated this liability taking into account data based on estimates from its consulting firm. The current estimate of environmental liabilities for 116 Cook Avenue is based on environmental reports prepared for the City of Meriden by Tighe and Bond, including “Phase III Environmental Site Assessment report, dated July 2012,” and “Opinion of Probable Demolition Costs, dated July 2012.” Further remediation costs associated with soils below the existing building slab are unknown and may require further remediation depending on the future land use. The City assumes removal of all known environmental hazards in five to seven years. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2014, the City was awarded \$200,000 from the United States Environmental Protection Agency, and of that amount \$23,754 has been spent.

The City acquired 11 Crown Street in May 2014 for redevelopment purposes. In 2014, the City retained Tighe and Bond to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Estimated cleanup costs (soil remediation and hazardous building materials) include engineering, oversight and monitoring. The liability is \$525,480. Management has estimated this liability taking into account data based on estimates from its consulting firm. As of June 30, 2014, the City has no funds identified for cleanup yet.

The City acquired 177 State Street in May 2014 for redevelopment purposes. In 2014, the City retained AECOM to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Estimated cleanup costs include engineering, oversight and monitoring. There is no liability recorded as a result of costs of \$597,257 less estimated recoveries from the State of \$597,257. Management has estimated this liability taking into account data based on estimates from its consulting firm. As of June 30, 2014, the City was awarded \$597,257 in DECD cleanup funds to remediate the City. The City expects to spend 25% of the funds in FY 2015 and the balance in FY 2016.

The City acquired the former Meriden Wallingford hospital site, located at 1 King Place, in January 2014 in a tax foreclosure. In 2014, the City retained VHB to complete a Phase I assessment. A Phase II and hazardous building materials survey was recommended. In 2014, the City was awarded \$180,000 to further assess the building and property. The City expects to spend 75% of the funds in FY 2015 and the balance in FY 2016. A more detailed cleanup cost estimate will be available following the assessment work.



## 8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2014 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 130,799	\$	\$ 85,074	\$ 215,873
Permanent fund principal			431,547	431,547
Restricted for:				
Flood control	480,001			480,001
Wallingford Regional Solid Waste Reserve	445,133			445,133
Unspent Federal and State grants	23,010		3,155,348	3,178,358
Park trusts			1,803,391	1,803,391
Library trusts			126,126	126,126
Education trusts			7,612	7,612
Site remediation			702,511	702,511
Health trusts			257	257
Committed to:				
Special assessment project			146,761	146,761
Education			442,856	442,856
Anti-blight			124,058	124,058
Meals on wheels			57,266	57,266
Dog fund			13,690	13,690
Insurance refunds	191,606			191,606
Tree preservation	40,310			40,310
Downtown property management	134,986			134,986
Vehicle replacement	38,006			38,006
Unassigned	<u>16,042,985</u>	<u>(12,551,619)</u>		<u>3,491,366</u>
 Total Fund Balances	 <u>\$ 17,526,836</u>	 <u>\$ (12,551,619)</u>	 <u>\$ 7,096,497</u>	 <u>\$ 12,071,714</u>

Significant encumbrances of \$138,604,381 are included in the bonded projects fund and \$7,351,072 are included in the nonmajor funds as of June 30, 2014.

## 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2014.

The workers' compensation fund purchases a self-insured retention workers' compensation excess policy for claims exceeding \$600,000. All other claims are funded by the General Fund, Sewer Authority, Water Authority and George Hunter Memorial Golf Fund. Payments to the fund are estimated based on payroll amounts, job classification rates, experience and second injury fund assessments.

The City's Health Insurance Fund purchases a stop loss policy for claims in excess of \$250,000 per claim. The City also purchases the aggregate maximum per year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The health insurance fund is funded by contributions from all funds incurring payroll charges. The health benefits consultant provides the City with suggested rates for various types of coverage. The City uses employee counts and suggested rates to compute fund contributions.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

	<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Accrued Liability Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
<b>Workers' Compensation and Heart and Hypertension</b>				
2013-14	\$ 7,011,658	\$ 3,252,941	\$ 3,382,274	\$ 6,882,325
2012-13	6,815,382	3,697,769	3,501,493	7,011,658
<b>Health Insurance</b>				
2013-14	\$ 2,210,781	\$ 21,700,312	\$ 22,027,587	\$ 1,883,506
2012-13	1,929,208	24,126,275	23,844,702	2,210,781

## 10. EMPLOYEE RETIREMENT PLANS

### A. Pension Trust Fund

The City administers three single-employer, contributory, defined benefit public employee retirement system (PERS) plans to provide pension benefits for its employees. The PERS is considered to be a part of the City's financial reporting entity and is included in the City's financial reports as Pension Trust Funds. Stand-alone plan reports are not available for these plans. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Management of the plans rest with the Pension Board, which consists of eleven members: three elected by plan members, six appointed by City Council and the City Treasurer and Personnel Director who both serve as ex-officio members.

### Plan Description

Substantially all full-time employees of the City are eligible to participate. Participants in the State Teachers' Retirement System are excluded. The Plans' provisions are as follows for personnel hired prior to July 1, 2011:

Provisions	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Benefit	2% of average annual pay for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 60% of salary.  Effective July 1, 2011, 2% of average annual pay for the first 20 years, 2½% thereafter, with a maximum of 70% of salary.	2.5% of average annual pay for the first 30 years of service, 1.6% after for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 70% of salary.	2.2% of average annual pay for the first 20 years of service, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 66% of salary.
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Vested after 10 years of continuous service.
Cost of living adjustment	2% per year beginning the later of 2 years from retirement age or age 62 (50% max).  Effective July 1, 2011, 2% each year beginning on the second anniversary after the retirement.	2% after 20 years, 3% after 25 years (50% max).	3% after 25 years (50% max).
Early retirement provisions	City employees - age 65, 10 years of service or Rule of 80 - full benefits. Age 55, 10 years of service - reduced benefits. Police and Fire - none.	25 <sup>th</sup> anniversary with 10 years of service, anytime with 20 years of service.	None.
Contributions	City Employee - 10% of earnings (includes 7% of earnings to pension and 3% of earnings as contributed for post-employment healthcare benefits). BOE Employee - 8% of earnings (includes 4% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits). Police - 7% of earnings (includes 5% of earnings to pension and 2% of earnings as contributed for post-employment healthcare benefits). Fire - 6% of earnings (includes 2% of earnings contributed for post-employment healthcare benefits).  Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).  Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).  Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.

At July 1, 2012, Plan membership consisted of the following:

	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Retirees and beneficiaries currently receiving benefits	442	137	113
Vested terminated employees	98	1	-
Active participants	<u>641</u>	<u>59</u>	<u>61</u>
Total Participants	<u><u>1,181</u></u>	<u><u>197</u></u>	<u><u>174</u></u>

### Summary of Significant Accounting Policies

**Basis of Accounting:** Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**Method Used to Value Investments:** Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**Administrative Costs:** Administrative costs of the Plan are financed through investment earnings.

The individual plan net position at June 30, 2014 and changes in net position for the year then ended are as follows:

	<u>Pension Trust Funds</u>						
	<u>Employees' Retirement Plan</u>	<u>Police Pension Fund</u>	<u>Firefighters' Pension Plan</u>	<u>Employees' Healthcare Plan</u>	<u>Police Healthcare Plan</u>	<u>Firefighters' Healthcare Plan</u>	<u>Total Pension Trust Funds</u>
<b>Assets:</b>							
Cash and cash equivalents	\$ 6,864,047	\$ 3,207,581	\$ 2,576,683	\$ 64,685	\$ -	\$ -	\$ 12,712,996
Interest receivable	<u>242,331</u>	<u>103,820</u>	<u>83,877</u>	<u>2,626</u>	<u>-</u>	<u>-</u>	<u>432,654</u>
<b>Investments, at fair value:</b>							
U.S. treasury bonds	5,045,639	1,764,286	1,425,372	54,668	-	-	8,289,965
Corporate bonds	11,959,760	4,907,905	3,965,113	129,580	-	-	20,962,358
Equities	76,372,872	33,659,673	27,193,764	827,475	-	-	138,053,784
Mutual funds	20,130,467	7,839,112	6,333,246	218,107	-	-	34,520,932
Other	22,288,294	11,118,503	8,982,676	241,486	-	-	42,630,959
Total investments	<u>135,797,032</u>	<u>59,289,479</u>	<u>47,900,171</u>	<u>1,471,316</u>	<u>-</u>	<u>-</u>	<u>244,457,998</u>
Total assets	<u>142,903,410</u>	<u>62,600,880</u>	<u>50,560,731</u>	<u>1,538,627</u>	<u>-</u>	<u>-</u>	<u>257,603,648</u>
<b>Liabilities:</b>							
Other liabilities	<u>637</u>	<u>1,056</u>	<u>637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,330</u>
<b>Net Position:</b>							
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 142,902,773</u>	<u>\$ 62,599,824</u>	<u>\$ 50,560,094</u>	<u>\$ 1,538,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,601,318</u>

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Additions:							
Contributions:							
Employer	\$ 2,316,905	\$ 3,903,438	\$ 2,614,862	\$	\$ 298,115	\$ 193,380	\$ 9,326,700
Plan members	2,096,283	269,647	270,431	1,076,487	89,883	90,144	3,892,875
Total contributions	<u>4,413,188</u>	<u>4,173,085</u>	<u>2,885,293</u>	<u>1,076,487</u>	<u>387,998</u>	<u>283,524</u>	<u>13,219,575</u>
Investment earnings:							
Net increase in fair value of investments	16,216,393	7,430,998	6,037,246	170,537			29,855,174
Dividends and interest	2,645,657	1,103,220	896,372	27,823			4,673,072
Total investment earnings	18,862,050	8,534,218	6,933,618	198,360	-	-	34,528,246
Less investment expenses:							
Investment management fees	778,076	345,350	280,599				1,404,025
Net investment earnings	<u>18,083,974</u>	<u>8,188,868</u>	<u>6,653,019</u>	<u>198,360</u>	<u>-</u>	<u>-</u>	<u>33,124,221</u>
Total additions	<u>22,497,162</u>	<u>12,361,953</u>	<u>9,538,312</u>	<u>1,274,847</u>	<u>387,998</u>	<u>283,524</u>	<u>46,343,796</u>
Deductions:							
Benefits	8,256,310	6,533,766	5,155,760	1,291,986	387,998	283,524	21,909,344
Administration	29,362	29,361	29,361	8,180			96,264
Other	308,727	2,171	1,002				311,900
Total deductions	<u>8,594,399</u>	<u>6,565,298</u>	<u>5,186,123</u>	<u>1,300,166</u>	<u>387,998</u>	<u>283,524</u>	<u>22,317,508</u>
Change in net assets	13,902,763	5,796,655	4,352,189	(25,319)	-	-	24,026,288
Net Position at Beginning of Year	<u>129,000,010</u>	<u>56,803,169</u>	<u>46,207,905</u>	<u>1,563,946</u>	<u>-</u>	<u>-</u>	<u>233,575,030</u>
Net Position at End of Year	<u>\$ 142,902,773</u>	<u>\$ 62,599,824</u>	<u>\$ 50,560,094</u>	<u>\$ 1,538,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,601,318</u>

## Investments

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of January 10, 2012, reaffirmed March 11, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity - domestic	35 %
Equity - international	20
Fixed Income	20
Real Estate	4
Hedge Funds	7
Private Equity	7
Commodities	2
Cash	5
Total	<u>100 %</u>

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

City	13.96%
Police	14.68%
Firefighters'	14.70%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Net Pension Liability

In accordance with GASB Statement No. 67, the components of the net pension liability of the City at June 30, 2014 were as follows:

	<u>City</u>	<u>Police</u>	<u>Firefighters'</u>
Total pension liability	\$ 167,487,666	\$ 108,584,553	\$ 83,425,804
Plan fiduciary net position	<u>142,902,773</u>	<u>62,599,903</u>	<u>50,560,094</u>
City's Net Pension Liability	<u>\$ 24,584,893</u>	<u>\$ 45,984,650</u>	<u>\$ 32,865,710</u>
Plan fiduciary net position as a percentage of the total liability	85.32 %	57.65 %	60.59 %

The City's net pension liability will be required to be recorded on the government-wide statement of net position at June 30, 2015.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>City</u>	<u>Police</u>	<u>Firefighters'</u>
Inflation	3.5%	3.0%	3.0%
Salary increases	3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond, including inflation	3.0%, per annum (compounded), including inflation	3.0%, per annum (compounded), including inflation
Investment rate of return	8.0%, net of pension plan investment expense	8.0%, net of pension plan investment expense	8.0%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
Equity - domestic	5.5	%
Equity - international	7.9	
Fixed Income	2.5	
Real Estate	6.2	
Hedge Funds	5.8	
Private Equity	8.2	
Commodities	3.6	
Cash	0.5	

**Discount Rate:** The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:** The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	<u>City</u>		
	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Net Pension Liability	\$ 43,569,723	\$ 24,584,893	\$ 8,492,076
	 <u>Police</u>		
	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Net Pension Liability	\$ 58,351,735	\$ 45,984,650	\$ 35,663,192

	<b><u>Firefighters'</u></b>		
	<b><u>1% Decrease (7.00%)</u></b>	<b><u>Current Discount Rate (8.00%)</u></b>	<b><u>1% Increase (9.00%)</u></b>
Net Pension Liability	\$ 41,806,899	\$ 32,865,710	\$ 25,325,322

### **Annual Pension Cost and Net Pension Obligations**

In accordance with the GASB No. 27, the City's annual pension cost and net pension obligation (asset) for the year ended June 30, 2014 were as follows:

	<b><u>Employees' Retirement Plan</u></b>	<b><u>Police Pension Plan</u></b>	<b><u>Firefighters' Pension Plan</u></b>
Annual required contribution (ARC)	\$ 2,302,606	\$ 4,201,533	\$ 2,808,242
Interest on net pension obligation (asset)	(24,490)	1,021,329	1,001,372
Adjustment to annual required contribution	<u>26,553</u>	<u>(1,050,024)</u>	<u>(1,029,506)</u>
Annual pension cost	2,304,669	4,172,838	2,780,108
Contributions made	<u>2,316,905</u>	<u>4,201,553</u>	<u>2,808,242</u>
Change in net pension obligation (asset)	(12,236)	(28,715)	(28,134)
Net pension obligation (asset), beginning of year	<u>(306,124)</u>	<u>12,766,617</u>	<u>12,517,152</u>
Net Pension Obligation (Asset), End of Year	<u><u>\$ (318,360)</u></u>	<u><u>\$ 12,737,902</u></u>	<u><u>\$ 12,489,018</u></u>

### **Trend Information**

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation (Asset)</u></b>
<b>Employees' Retirement Plan</b>			
6/30/14	\$ 2,304,669	100.05 %	\$ (318,360)
6/30/13	2,055,822	100.10	(306,124)
6/30/12	1,916,270	99.50	(305,049)
<b>Police Pension Plan</b>			
6/30/14	\$ 4,172,838	100.69 %	\$ 12,737,902
6/30/13	4,037,919	100.71	12,766,617
6/30/12	4,000,253	100.72	12,795,238
<b>Firefighters' Pension Plan</b>			
6/30/14	\$ 2,780,108	101.01 %	\$ 12,489,018
6/30/13	2,615,352	101.10	12,517,152
6/30/12	2,592,780	101.10	12,545,214



## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((a-b)/c)
<b>Employees' Retirement Plan</b>						
7/01/12	\$ 147,647,445	\$ 150,068,846	\$ 2,421,401	98.39 %	\$ 38,734,928	6.25 %
7/01/10	140,652,162	133,912,594	(6,739,568)	105.03	34,128,961	(19.75)
7/01/08	140,853,728	123,480,133	(17,373,595)	114.07	31,405,160	(55.32)
<b>Police Pension Plan</b>						
7/01/12	\$ 64,914,508	\$ 103,632,267	\$ 38,717,759	62.64 %	\$ 4,462,636	867.60 %
7/01/10	61,620,597	98,013,777	36,393,180	62.87	5,027,254	723.92
7/01/08	60,974,656	89,709,424	28,734,768	67.97	5,030,979	571.16
<b>Firefighters' Pension Plan</b>						
7/01/12	\$ 53,337,981	\$ 79,799,856	\$ 26,461,875	66.84 %	\$ 4,349,943	608.33 %
7/01/10	51,296,883	74,993,738	23,696,855	68.40	4,800,571	493.63
7/01/08	51,281,856	70,302,239	19,020,383	72.94	4,696,251	405.01

### B. Pension Plan - Money Purchase Pension Plan

The City is the administrator of the money purchase pension plan, a single employer, defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers substantially all City employees hired after July 1, 2011. The plan was amended effective July 1, 2012 to reflect changes applicable to newly hired police officers. Contributions are established and amended by the approval of the City Council. The plan is intended to be a governmental plan, as defined in Section 414(d) of the Internal Revenue Code.

#### Summary Plan Description

Any employee hired on or after July 1, 2011 (i) who is not eligible to participate in any defined benefit plan maintained or contributed to by the City, (ii) is not eligible to participate in the State Teacher's Retirement System during the time such individual is an employee, or (iii) is not employed pursuant to a collective bargaining agreement with the Police or Fire departments unless such collective bargaining agreement provides for participation in this plan. Any employee of the Board of Education hired prior to July 1, 2011 who was not eligible to participate in any defined benefit plan maintained by the City shall be eligible to participate in this plan. Normal retirement will be on the member's sixty-fifth (65th) birthday. A police officer or a firefighter who attains age 65 shall be retired automatically by the City, effective the first day of the month following his 65th birthday. A City employee will be fully vested after 10 years of service. The vesting percentage will be an accumulating 20% per year for years 6-10. Any nonvested City contributions and related interest thereon of employees who leave employment are reserved in a forfeiture account to offset future City contributions. Plan provisions and the authority to amend the provisions are established by City ordinance.

## **Employee Obligations**

All participating members shall make a mandatory contribution in the amount of 5% of the member's compensation and the City will reduce the member's compensation otherwise payable currently by that percentage, credit the amount to the Employee Contribution Account on behalf of the member and contribute such amount to the Funding Vehicle. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of service, the amount of such employee contributions shall increase to 6% of the member's compensation. Notwithstanding the foregoing, each member who is a police officer hired on or after July 1, 2012 shall make a mandatory contribution in the amount of 10% of the member's non-base pay, including private duty compensation.

## **Employer Obligations**

The City shall make a contribution in an amount equal to 5% of the member's compensation. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of service, the amount of such City contributions shall increase to 6% of the member's compensation. City contributions shall be allocated as of the last day of each week to a member's City Contribution Account, provided that the member is employed on such date. Notwithstanding the foregoing, the City shall make a contribution on behalf of police officers hired on or after July 1, 2012 of 3% of the member's non-base pay, but excluding private duty pay. The amount of City contributions at any time shall be reduced by the amount of forfeitures available at that time to be allocated to the member's City Contribution Account. Employer contributions are calculated and paid each pay period.

## **Contribution Requirements/Contributions Made**

The total City contribution during the year ended June 30, 2014 was \$182,923 and represented 5% of covered payroll. The employees' required contributions were \$222,759 and represented 6% of covered payroll.

## **C. Teachers' Retirement**

All City teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$51,753,643.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2014, the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$12,836,267 as payments made by the State of Connecticut on behalf of the City. The City does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

## 11. POSTEMPLOYMENT HEALTHCARE PLAN - CITY OF MERIDEN AND MERIDEN BOARD OF EDUCATION

### Summary of Significant Accounting Policies

**Basis of Accounting** - The financial statements of the Postemployment Healthcare Plan (PHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Plan.

Investments are reported at fair value. Investment income is recognized as earned.

### Plan Description

The PHP is a single-employer defined benefit healthcare plan administered by the City. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. City employees hired prior to July 1, 2011 are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees.

The plan is considered to be part of the City's financial reporting entity and is included in the City's financial report as various pension trust funds. A portion of the employees' pension contributions is required to be recognized in these healthcare plan pension funds: the Employees Healthcare Plan, the Police Healthcare Plan and the Firefighters' Healthcare Plan. The plan does not issue a stand-alone financial report.

At July 1, 2012, plan membership consisted of the following:

	City			Board of Education		Total
	Police	Fire	Other	Teachers	Other	
Active employees	117	95	283	675	266	1,436
Retired employees*	66	72	176	137	96	547
Total Participants	183	167	459	812	362	1,983

\* Counts do not include spouses of retirees

## Funding Policy

The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits also are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

City	3.00% of salary
Non-Teacher BOE	4.00% of salary
Police	2.00% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2014, plan members contributed \$3,423,254. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan of \$5,483,979 were made in accordance with actuarially determined requirements.

## Annual OPEB Cost and Net OPEB Obligations

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

	<b>Retiree Health Plan</b>
Annual required contribution (ARC)	\$ 7,725,338
Interest on net OPEB obligation	3,297,896
Adjustment to annual required contribution	<u>(3,390,107)</u>
Annual OPEB cost (expense)	7,633,127
Contributions made	<u>5,483,979</u>
Increase in net OPEB obligation	2,149,148
Net OPEB obligation, beginning of year	<u>41,223,699</u>
Net OPEB Obligation, End of Year	<u><u>\$ 43,372,847</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014 is presented below.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2014	\$ 7,633,127	\$ 5,483,979	71.84 %	\$ 43,372,847
6/30/2013	7,606,424	5,726,019	75.28	41,223,699
6/30/2012	11,005,737	5,613,907	51.01	39,343,294

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Liability (AAL) Projected Unit Credit</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>Postemployment Healthcare Plan</b>						
7/1/2012	\$ 10,416,198	\$ 80,957,206	\$ 70,541,008	12.9 %	\$ 95,772,885	73.7 %
7/1/2010	5,142,767	104,364,393	99,221,626	4.9	94,310,588	105.2
7/1/2008	3,622,326	102,478,635	98,856,309	3.5	105,582,188	93.6

#### Schedule of Employer Contributions

<b>Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
6/30/2014	\$ 7,725,338	70.99 %
6/30/2013	7,694,428	74.42
6/30/2012	11,081,681	50.66

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 10% initially, graded to 5% over 5 years. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method on a closed basis. The remaining amortization period at July 1, 2012 was 30 years.

## **12. CONTINGENCIES AND COMMITMENTS**

### **Contingent Liabilities**

There are various suits and claims pending against the City, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position. Management has estimated a liability of \$1,348,801 at June 30, 2014, which is recorded in the government-wide financial statements.

The City has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, City management believes such disallowances, if any, will not be material.

The City may be subject to rebate penalties to the federal government relating to various bond and note issues. The City expects such amounts, if any, to be immaterial.

## Construction Commitments

The government has active construction projects as of June 30, 2014. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Platt School Addition and Replacement	\$ 67,926,664
Maloney School Addition and Replacement	65,588,619
Upgrade/Replace Pump Stations	18,592,696
Flood Control	2,572,301
Citywide Road/Sidewalk Reconstruction	848,431
Fuel Islands/Pumps/Tanks	483,276
City Parks Upgrades	337,697
Vehicles	245,208
WPCF - Facility/Collection Improvements	207,325
Railroad Bridge	111,638
Landfill	99,372
City Building Repair/Upgrade	95,045
Public Safety Improvements/Equipment	85,855
Hanover Elementary School Kindergarten Addition	85,659
Israel Putnam Roof Replacement	50,152
Other School Improvements	49,484
Citywide Drainage	28,835
Public Works Equipment	22,505
Airport Hangers Evaluation	4,600
Water Roof Evaluation/Repair/Replacement	3,750
	<u>\$ 157,439,112</u>

The commitments are being financed with bonds, bond anticipation notes and state and federal grants.

### 13. RESTATEMENTS

South Meriden Volunteer Firefighters' Trust - Management reevaluated the South Meriden Volunteer Firefighters' Trust and determined it more appropriately classified as an agency fund. The restatement of fund type resulted in a decrease in assets and fund balance in the General Fund and a decrease in the government-wide net assets and increase in agency fund assets of \$85,504.

### 14. SUBSEQUENT EVENTS

On August 26, 2014, the City issued \$50,305,000 of Tax Exempt General Obligation Bonds, Issue of 2014 - Lot A and \$3,494,000 Taxable General Obligation Bonds, Issue of 2014 - Lot B, with variable interest rates between 2.0% and 5.0% and a final maturity of March 1, 2034.

# **Required Supplementary Information**



## CITY OF MERIDEN, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
CITY**

**LAST FISCAL YEAR**

	<u><b>2014</b></u>
Total pension liability:	
Service cost	\$ 4,260,041
Interest	12,718,166
Benefit payments, including refunds of member contributions	<u>(8,256,310)</u>
Net change in total pension liability	8,721,897
Total pension liability - beginning	<u>158,765,769</u>
Total pension liability - ending	<u><u>167,487,666</u></u>
 Plan fiduciary net position:	
Contributions - employer	2,316,905
Contributions - member	2,096,283
Net investment income	18,083,974
Benefit payments, including refunds of member contributions	(8,256,310)
Administrative expense	(29,362)
Other	<u>(308,727)</u>
Net change in plan fiduciary net position	13,902,763
Plan fiduciary net position - beginning	<u>129,000,010</u>
Plan fiduciary net position - ending	<u><u>142,902,773</u></u>
 Net Pension Liability - Ending	\$ <u><u>24,584,893</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	85.32%
 Covered-employee payroll	\$ 41,094,000
 Net pension liability as a percentage of covered-employee payroll	59.83%

## CITY OF MERIDEN, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE**

**LAST FISCAL YEAR**

	<u><b>2014</b></u>
Total pension liability:	
Service cost	\$ 1,078,300
Interest	8,304,594
Benefit payments, including refunds of member contributions	<u>(6,921,764)</u>
Net change in total pension liability	2,461,130
Total pension liability - beginning	<u>106,123,423</u>
Total pension liability - ending	<u><u>108,584,553</u></u>
Plan fiduciary net position:	
Contributions - employer	4,201,553
Contributions - member	359,530
Net investment income	8,188,947
Benefit payments, including refunds of member contributions	<u>(6,921,764)</u>
Administrative expense	(29,361)
Other	<u>(2,171)</u>
Net change in plan fiduciary net position	5,796,734
Plan fiduciary net position - beginning	<u>56,803,169</u>
Plan fiduciary net position - ending	<u><u>62,599,903</u></u>
Net Pension Liability - Ending	\$ <u><u>45,984,650</u></u>
Plan fiduciary net position as a percentage of the total pension liability	57.65%
Covered-employee payroll	\$ 4,302,000
Net pension liability as a percentage of covered-employee payroll	1068.91%

## CITY OF MERIDEN, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS'**

**LAST FISCAL YEAR**

	<u><b>2014</b></u>
Total pension liability:	
Service cost	\$ 769,596
Interest	6,385,020
Benefit payments, including refunds of member contributions	<u>(5,439,284)</u>
Net change in total pension liability	1,715,332
Total pension liability - beginning	<u>81,710,472</u>
Total pension liability - ending	<u><u>83,425,804</u></u>
 Plan fiduciary net position:	
Contributions - employer	2,808,242
Contributions - member	360,575
Net investment income	6,653,019
Benefit payments, including refunds of member contributions	<u>(5,439,284)</u>
Administrative expense	(29,361)
Other	<u>(1,002)</u>
Net change in plan fiduciary net position	4,352,189
Plan fiduciary net position - beginning	<u>46,207,905</u>
Plan fiduciary net position - ending	<u><u>50,560,094</u></u>
 Net Pension Liability - Ending	 <u><u>\$ 32,865,710</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 60.59%
 Covered-employee payroll	 \$ 3,554,000
 Net pension liability as a percentage of covered-employee payroll	 925.01%

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**CITY**

**LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contribution	\$ 2,302,606	\$ 2,038,150	\$ 1,898,009	\$ 479,981	\$ 354,382	\$ 764,137	\$ 649,414	\$ 185,534	\$ 74,741	\$
Contributions in relation to the actuarially determined contribution	2,316,905	2,056,897	1,906,102	489,450	362,432	764,137	659,542	195,528	74,736	\$
Contribution Deficiency (Excess)	<u>\$ (14,299)</u>	<u>\$ (18,747)</u>	<u>\$ (8,093)</u>	<u>\$ (9,469)</u>	<u>\$ (8,050)</u>	<u>\$ -</u>	<u>\$ (10,128)</u>	<u>\$ (9,994)</u>	<u>\$ 5</u>	<u>\$ -</u>
Covered-employee payroll	\$ 41,094,000	\$ 39,897,000	\$ 38,734,928	\$ 34,128,961	\$ 34,128,961	\$ 31,405,160	\$ 31,405,160	\$ 30,170,844	\$ 30,170,844	\$ 27,345,499
Contributions as a percentage of covered-employee payroll	5.64%	5.16%	4.92%	1.43%	1.06%	2.43%	2.10%	0.65%	0.25%	0.00%

**Notes to Schedule**

Valuation date: July 1, 2012  
Measurement date: June 30, 2014  
Actuarially determined contribution rates are calculated as of June 30, two years prior

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age  
Amortization method: Level dollar, closed  
Remaining amortization period: 25 years  
Asset valuation method: 5-year smoothed market  
Inflation: 3.5%  
Salary increases: 3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond

Investment rate of return: 8.00%, net of pension plan investment expense  
Retirement age: Earlier of:  
- Later of 10 years of service and age 65  
- Any combination of years of service and age equaling 80, with a minimum of 10 years of service

Mortality: In the 2012 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table. In prior years, those assumptions were based on the 1994 Group Annuity Mortality Table.

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE**  
**LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contribution	\$ 4,201,533	\$ 4,066,540	\$ 4,028,938	\$ 3,683,113	\$ 3,646,850	\$ 3,556,861	\$ 3,509,801	\$ 3,601,188	\$ 3,540,516	\$ 3,413,205
Contributions in relation to the actuarially determined contribution	<u>4,201,533</u>	<u>4,066,540</u>	<u>4,028,938</u>	<u>3,683,113</u>	<u>3,646,850</u>	<u>3,556,861</u>	<u>3,509,592</u>	<u>3,611,172</u>	<u>3,240,504</u>	<u>3,380,395</u>
Contribution Deficiency (Excess)	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209</u>	<u>\$ (9,984)</u>	<u>\$ 300,012</u>	<u>\$ 32,810</u>
Covered-employee payroll	\$ 4,302,000	\$ 4,382,000	\$ 4,462,636	\$ 5,027,254	\$ 5,027,254	\$ 5,030,979	\$ 5,030,979	\$ 5,940,009	\$ 5,940,009	\$ 7,039,682
Contributions as a percentage of covered-employee payroll	97.67%	92.80%	90.28%	73.26%	72.54%	70.70%	69.76%	60.79%	54.55%	48.02%

**Notes to Schedule**

Valuation date: July 1, 2012  
Measurement date: June 30, 2014  
Actuarially determined contribution rates are calculated as of June 30, two years

## Methods and assumptions used to determine contribution rates:

Actuarial cost method           Entry age  
Amortization method           Level dollar, closed  
Remaining amortization period   30 years  
Asset valuation method           5-year smoothed market  
Inflation                           3.0%  
Salary increases                 3.0%, per annum (compounded)  
Investment rate of return       8.00%, net of pension plan investment expense

Retirement age                 Earlier of:  
- 20 years of service  
- Age 65 and 10 years of service

Mortality                         In the 2012 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table. In prior years, those assumptions were based on the 1994 Group Annuity Mortality Table.

## CITY OF MERIDEN, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS'

## LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 2,808,242	\$ 2,643,414	\$ 2,620,905	\$ 2,441,615	\$ 2,419,234	\$ 2,464,361	\$ 2,435,594	\$ 2,605,081	\$ 2,574,201	\$ 1,906,328
Contributions in relation to the actuarially determined contribution	2,808,242	2,643,414	2,620,905	2,441,615	2,419,234	2,464,361	2,435,400	2,615,076	2,206,320	1,906,320
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194	\$ (9,995)	\$ 367,881	\$ 8
Covered-employee payroll	\$ 3,554,000	\$ 3,902,000	\$ 4,349,943	\$ 4,800,571	\$ 4,800,571	\$ 4,696,251	\$ 4,696,251	\$ 4,791,096	\$ 4,791,096	\$ 5,134,902
Contributions as a percentage of covered-employee payroll	79.02%	67.75%	60.25%	50.86%	50.39%	52.48%	51.86%	54.58%	46.05%	37.12%

## Notes to Schedule

Valuation date: July 1, 2012  
Measurement date: June 30, 2014  
Actuarially determined contribution rates are calculated as of June 30, two years prior

## Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age  
Amortization method: Level dollar, closed  
Remaining amortization period: 30 years  
Asset valuation method: 5-year smoothed market  
Inflation: 3.0%  
Salary increases: 3.0%, per annum (compounded)  
Investment rate of return: 8.00%, net of pension plan investment expense

Retirement age: Earlier of:  
- 20 years of service  
- Age 65 and 10 years of service

Mortality: In the 2012 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table. In prior years, those assumptions were based on the 1994 Group Annuity Mortality Table.

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF INVESTMENT RETURNS**  
**CITY**

**LAST FISCAL YEAR**

**2014**

Annual money-weighted rate of return, net of investment expense

13.97%

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF INVESTMENT RETURNS**  
**POLICE**  
**LAST FISCAL YEAR**

**2014**

Annual money-weighted rate of return, net of investment expense

14.68%



**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF INVESTMENT RETURNS**  
**FIREFIGHTERS'**  
**LAST FISCAL YEAR**

**2014**

Annual money-weighted rate of return, net of investment expense

14.72%

**Supplemental, Combining  
and Individual Fund**

**Statements**

**and**

**Schedules**

# General Fund

## **GENERAL FUND**

The General Fund is the general operating fund of the City. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the City. These activities are funded principally by property taxes, user fees and grants from other governmental units.

There are also funds that do not meet the definition of a special revenue fund in accordance with GASB 54, which are combined with the General Fund. Schedule A-1 applies only to the General Fund.

**Foreclosure Fund** - To account for expenditures and costs recovered related to collections on foreclosed properties.

**Insurance Reserve Fund** - To account for unexpected insurance claim funds.

**Tree Preservation Fund** - To account for funds collected and designated for tree preservation.

**Downtown Property Management** - To account for management of City-owned property in the downtown area.

**Vehicle Replacement Fund** - To account for vehicle purchases.

## CITY OF MERIDEN, CONNECTICUT

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes:				
Current years' levy	\$ 110,206,795	\$ 110,206,795	\$ 109,676,864	\$ (529,931)
Prior years' levies	2,127,000	2,127,000	2,232,728	105,728
Motor vehicle supplement	970,000	970,000	1,096,019	126,019
Suspense	15,000	15,000		(15,000)
Interest and liens	1,043,500	1,043,500	1,069,248	25,748
Total property taxes	<u>114,362,295</u>	<u>114,362,295</u>	<u>114,074,859</u>	<u>(287,436)</u>
Intergovernmental:				
State grants for education	55,210,858	55,814,113	55,498,410	(315,703)
Other state grants	4,992,961	5,201,688	5,101,823	(99,865)
Total intergovernmental	<u>60,203,819</u>	<u>61,015,801</u>	<u>60,600,233</u>	<u>(415,568)</u>
Charges for services:				
Licenses and permits and fines	193,000	193,000	167,541	(25,459)
Department fees and other	3,761,580	3,761,580	3,739,733	(21,847)
Rents	129,252	129,252	224,290	95,038
Total charges for services	<u>4,083,832</u>	<u>4,083,832</u>	<u>4,131,564</u>	<u>47,732</u>
Investment income	<u>497,910</u>	<u>398,243</u>	<u>387,968</u>	<u>(10,275)</u>
Miscellaneous revenues	<u>821,306</u>	<u>1,321,306</u>	<u>1,332,056</u>	<u>10,750</u>
Other financing sources:				
Transfers in	<u>284,147</u>	<u>384,466</u>	<u>851,982</u>	<u>467,516</u>
Total other financing sources	<u>284,147</u>	<u>384,466</u>	<u>851,982</u>	<u>467,516</u>
Total revenues and other financing sources	<u>180,253,309</u>	<u>181,565,943</u>	<u>181,378,662</u>	<u>(187,281)</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures:				
General government:				
City council	\$ 225,999	\$ 237,177	\$ 237,173	\$ 4
City manager	647,542	566,897	566,893	4
Legal	813,549	1,318,601	1,318,594	7
Personnel	245,706	262,176	262,175	1
City clerk	382,398	382,398	382,394	4
Aviation	351,808	326,792	326,789	3
Elections	171,997	175,420	175,417	3
Insurance	2,337,937	2,171,755	2,171,755	-
Employee benefits	22,290,488	22,279,086	22,279,078	8
Finance general administration	2,881,214	2,820,823	2,820,817	6
Capital equipment	353,601	502,658	502,657	1
Management information systems	880,035	858,191	858,186	5
Development and enforcement	651,110	730,719	730,715	4
Inland wetlands	850	933	932	1
Parking	135,863	132,649	132,634	15
Contingency	500,000	557,060		557,060
Total general government	<u>32,870,097</u>	<u>33,323,335</u>	<u>32,766,209</u>	<u>557,126</u>
Finance:				
Finance	689,108	743,494	743,489	5
Purchasing	259,825	269,847	269,844	3
Tax collector/Assessor	773,316	708,009	708,006	3
Board of assessment appeals	2,750	1,722	1,722	-
Total finance	<u>1,724,999</u>	<u>1,723,072</u>	<u>1,723,061</u>	<u>11</u>
Public safety:				
Police	11,849,239	11,773,727	11,773,722	5
Fire	8,626,504	8,578,238	8,578,231	7
Emergency communications	1,101,124	1,167,308	1,167,304	4
South Meriden volunteer fire	158,075	143,950	143,947	3
Emergency management	13,780	8,711	8,710	1
Total public safety	<u>21,748,722</u>	<u>21,671,934</u>	<u>21,671,914</u>	<u>20</u>
Public works:				
Engineering	703,927	701,571	701,569	2
Garage and warehouse	443,085	443,055	443,051	4
Traffic engineering	408,306	410,041	410,038	3
Highway safety	1,997,191	2,445,296	2,445,289	7
Transfer station	126,600	114,511	114,507	4
Waste collection	1,448,114	1,393,410	1,393,409	1
Bulky waste	176,299	155,055	155,051	4
Building maintenance	1,142,353	1,103,330	1,103,328	2
Total public works	<u>6,445,875</u>	<u>6,766,269</u>	<u>6,766,242</u>	<u>27</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Health and welfare:				
Health	\$ 1,886,126	\$ 1,883,101	\$ 1,883,093	\$ 8
Social services	110,263	117,338	117,336	2
Senior center	466,748	504,179	504,174	5
Youth services	155,901	158,902	158,900	2
Total health and welfare	<u>2,619,038</u>	<u>2,663,520</u>	<u>2,663,503</u>	<u>17</u>
Culture and recreation:				
Library	2,066,942	2,066,912	2,066,906	6
Parks	1,563,902	1,573,033	1,573,027	6
Recreation	365,326	394,666	394,661	5
Total culture and recreation	<u>3,996,170</u>	<u>4,034,611</u>	<u>4,034,594</u>	<u>17</u>
Education:				
Board of Education	99,608,340	99,608,340	99,608,371	(31)
School building committee	1,500	1,500	1,136	364
Total education	<u>99,609,840</u>	<u>99,609,840</u>	<u>99,609,507</u>	<u>333</u>
Debt service:				
Principal retirement	8,234,000	8,234,000	8,234,000	-
Interest	2,994,568	2,994,568	3,012,811	(18,243)
Total debt service	<u>11,228,568</u>	<u>11,228,568</u>	<u>11,246,811</u>	<u>(18,243)</u>
Other financing uses:				
Transfers out	10,000	544,794	544,794	-
Total expenditures and other financing uses	<u>180,253,309</u>	<u>181,565,943</u>	<u>181,026,635</u>	<u>539,308</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>352,027</u>	\$ <u>352,027</u>

## CITY OF MERIDEN, CONNECTICUT

## GENERAL FUND

## COMBINING BALANCE SHEET SCHEDULE

JUNE 30, 2014

	<u>General</u>	<u>Foreclosure Fund</u>	<u>Insurance Refund Fund</u>	<u>Tree Preservation Fund</u>	<u>Downtown Property Management Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 9,189,385	\$ 615	\$ 191,606	\$ 44,910	\$ 222,032	\$ 52,966		\$ 9,701,514
Investments	14,899,385							14,899,385
Receivables, net of allowance for uncollectibles	5,777,160	780			535			5,778,475
Inventory	130,799							130,799
Other Assets	1,987							1,987
Due from other funds	6,313,873						(87,000)	6,226,873
Total Assets	<u>\$ 36,312,589</u>	<u>\$ 1,395</u>	<u>\$ 191,606</u>	<u>\$ 44,910</u>	<u>\$ 222,567</u>	<u>\$ 52,966</u>	<u>\$ (87,000)</u>	<u>\$ 36,739,033</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 12,133,074	\$ 474	\$	\$ 4,600	\$ 6,581	\$ 14,960		\$ 12,159,689
Due to other funds	175,905	6,000			81,000		(87,000)	175,905
Deferred revenue	4,583							4,583
Total liabilities	<u>12,313,562</u>	<u>6,474</u>	<u>-</u>	<u>4,600</u>	<u>87,581</u>	<u>14,960</u>	<u>(87,000)</u>	<u>12,340,177</u>
Deferred Inflows of Resources:								
Unavailable revenue - property taxes	4,141,962							4,141,962
Unavailable revenue - loans receivable	1,418,552							1,418,552
Advance property tax collections	1,311,506							1,311,506
Total deferred inflows of resources	<u>6,872,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,872,020</u>
Fund Balances:								
Reserved for:								
Nonspendable	130,799							130,799
Restricted	948,144							948,144
Committed			191,606	40,310	134,986	38,006		404,908
Unassigned	16,048,064	(5,079)						16,042,985
Total fund balances	<u>17,127,007</u>	<u>(5,079)</u>	<u>191,606</u>	<u>40,310</u>	<u>134,986</u>	<u>38,006</u>	<u>-</u>	<u>17,526,836</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,312,589</u>	<u>\$ 1,395</u>	<u>\$ 191,606</u>	<u>\$ 44,910</u>	<u>\$ 222,567</u>	<u>\$ 52,966</u>	<u>\$ (87,000)</u>	<u>\$ 36,739,033</u>



## CITY OF MERIDEN, CONNECTICUT

## GENERAL FUND

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

## FOR THE YEAR ENDED JUNE 30, 2014

	General	Foreclosure Fund	Insurance Refund Fund	Tree Preservation Fund	Downtown Property Management Fund	Vehicle Replacement Fund	Transfer Elimination	Total
Revenues:								
Property taxes, interest and lien fees	\$ 114,074,859	\$	\$	\$	\$	\$	\$	\$ 114,074,859
Federal and state government	74,901,851							74,901,851
Charges for services	4,131,564							4,131,564
Investment income	387,968				557			388,525
Other local revenues	1,332,056	24,234	22,174		25,172			1,403,636
Total revenues	<u>194,828,298</u>	<u>24,234</u>	<u>22,174</u>	<u>-</u>	<u>25,729</u>	<u>-</u>	<u>-</u>	<u>194,900,435</u>
Expenditures:								
Current:								
General government	34,180,994	44,313		23,941	183,421			34,432,669
Public safety	21,839,423		9,048			43,597		21,892,068
Public works	6,858,765							6,858,765
Health and welfare	2,663,503					14,960		2,678,463
Culture and recreation	4,082,838							4,082,838
Education	113,672,829							113,672,829
Debt service:								
Principal retirement	8,234,000							8,234,000
Interest and other charges	3,247,944							3,247,944
Total expenditures	<u>194,780,296</u>	<u>44,313</u>	<u>9,048</u>	<u>23,941</u>	<u>183,421</u>	<u>58,557</u>	<u>-</u>	<u>195,099,576</u>
Excess (Deficiency) of Revenues over Expenditures	<u>48,002</u>	<u>(20,079)</u>	<u>13,126</u>	<u>(23,941)</u>	<u>(157,692)</u>	<u>(58,557)</u>	<u>-</u>	<u>(199,141)</u>
Other Financing Sources (Uses):								
Transfers in	851,982					10,000	(10,000)	851,982
Transfers out	(547,957)						10,000	(537,957)
Total other financing sources	<u>304,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>314,025</u>
Net Change in Fund Balances	352,027	(20,079)	13,126	(23,941)	(157,692)	(48,557)	-	114,884
Fund Balances at Beginning of Year, as Restated	<u>16,774,980</u>	<u>15,000</u>	<u>178,480</u>	<u>64,251</u>	<u>292,678</u>	<u>86,563</u>		<u>17,411,952</u>
Fund Balances at End of Year	<u>\$ 17,127,007</u>	<u>\$ (5,079)</u>	<u>\$ 191,606</u>	<u>\$ 40,310</u>	<u>\$ 134,986</u>	<u>\$ 38,006</u>	<u>\$ -</u>	<u>\$ 17,526,836</u>

# **Nonmajor Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Special Revenue Funds** account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

**Document Preservation** - To account for the City Clerk's document preservation program, which is funded through fees and State grants.

**Community Development Block Grant** - To account for the revenues and expenditures related to the Federal Block Grant.

**COPS Hiring Grant** - To account for the COPS Hiring Grant revenues and expenditures

**Day Care Center** - To account for the operations of the Meriden Day Care Center, which is partially funded by State grants.

**Women, Infant and Children Program** - To account for grants from the State Department of Social Services.

**Education Grants** - To account for education related grants from the state and federal governments.

**Health Grants** - To account for revenues and various grants from the State of Connecticut.

**Meals on Wheels Program** - To account for grant funds from the State Health Department.

**Neighborhood Preservation Program** - To account for revolving loan funds.

**Asset Forfeiture Fund** - To account for drug seizure money from the state and federal governments.

**School Readiness** - To account for grant funds from the State Department of Education for school readiness and child day care programs.

**Law Enforcement Block Grant** - To account for a grant from the federal government for law enforcement.

**Dog Fund** - To account for revenue from dog license fees and related expenditures.

**Public School Lunch** - To account for the operations of the school lunch program.

**Public School Rental** - To account for rental of school facilities.

**Adult Evening School** - To account for the activities of the Adult Education Program.

**Anti-Blight Fund** - To account for funds used in a human services program.

**Smoke Detector Fund** - To account for funds collected for fire prevention programs.

**Miscellaneous Grants Fund** - To account for revenues and expenses for grants received for miscellaneous purposes.

**Summer Student Fund** - To account for the summer school program.

**NSP Program Fund** - To account for Neighborhood Stabilization Program Grant revenues and expenditures related to Federal Block Grant.

## **CAPITAL PROJECT FUNDS**

**Parks and Recreation Capital and Nonrecurring Fund** - To account for the financial resources used for various parks and recreation projects.

**Capital and Nonrecurring Fund** - To account for capital items funded through grants and special appropriations.

**Airport Improvement** - To account for the activity funds for airport improvements.

**Brownfield Assessment** - To account for funds used in a local environmental hazard study.

**Factory H Demolition** - To account for grants related to the demolition of Factory H.

**Miscellaneous Capital Project Grants** - To account for grants for various capital projects.

**Land Acquisition Fund** - To account for funds restricted for the acquisition of land.

**Planning Commission Subdivision Development** - To account for funds collected from developers for sidewalk construction.

## **PERMANENT FUNDS**

**Walter Hubbard Park Fund** - To account for the care and maintenance of Hubbard Park.

**C.P. Bradley Park Fund** - To account for the care and maintenance of C.P. Bradley Park.

**Library Trust Fund** - To account for donations and additional funds for the library.

**Lorenzo Fuller Award** - To account for a scholarship fund given to the high school.

**Charlotte Yale Ives** - To account for supportive health service for needy families.

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2014

	<b>Special Revenue Funds</b>								
	<b>Document Preservation Fund</b>	<b>Community Development Block Grant</b>	<b>COPS Hiring Grant</b>	<b>Day Care Center</b>	<b>Women, Infant and Children Program</b>	<b>Education Grants</b>	<b>Health Grants</b>	<b>Meals on Wheels Program</b>	<b>Neighborhood Preservation (CDBG)</b>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 88,715	\$ 5,672	\$ 212	\$ 64,268	\$ 508	\$ 2,489,044	\$ 470,902	\$ 70,670	\$ 81,505
Investments									
Accounts receivable	204	220,969	395,788		66,949	164,725	19,374	3,310	1,919,535
Due from other funds									
Inventory									
<b>Total Assets</b>	<b>\$ 88,919</b>	<b>\$ 226,641</b>	<b>\$ 396,000</b>	<b>\$ 64,268</b>	<b>\$ 67,457</b>	<b>\$ 2,653,769</b>	<b>\$ 490,276</b>	<b>\$ 73,980</b>	<b>\$ 2,001,040</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$	\$ 28,655	\$	\$	\$ 54,457	\$ 1,642,478	\$ 28,572	\$ 13,404	\$ 235
Unearned revenue						36,751	68,829		
Due to other funds		193,000	396,000		13,000	5,000			
<b>Total liabilities</b>	<b>-</b>	<b>221,655</b>	<b>396,000</b>	<b>-</b>	<b>67,457</b>	<b>1,684,229</b>	<b>97,401</b>	<b>13,404</b>	<b>235</b>
<b>Deferred inflows of resources:</b>									
Unavailable revenue - loans receivable									1,919,535
<b>Fund Balances:</b>									
Nonspendable									
Restricted	88,919	4,986		64,268		969,540	392,875	3,310	81,270
Committed								57,266	
<b>Total fund balances</b>	<b>88,919</b>	<b>4,986</b>	<b>-</b>	<b>64,268</b>	<b>-</b>	<b>969,540</b>	<b>392,875</b>	<b>60,576</b>	<b>81,270</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 88,919</b>	<b>\$ 226,641</b>	<b>\$ 396,000</b>	<b>\$ 64,268</b>	<b>\$ 67,457</b>	<b>\$ 2,653,769</b>	<b>\$ 490,276</b>	<b>\$ 73,980</b>	<b>\$ 2,001,040</b>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2014

	Special Revenue Funds								
	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	School Readiness	Law Enforcement Block Grant	Dog Fund	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight Fund
<b>ASSETS</b>									
Cash and cash equivalents	\$ 55,402	\$ 169,241	\$ 30	\$ 139	\$ 24,996	\$ 323,107	\$ 132,780	\$ 123,056	\$ 124,058
Investments									
Accounts receivable	488,841		273,274	7,685	3,894	717,954			
Due from other funds							25,000		
Inventory						85,074			
<b>Total Assets</b>	<b>\$ 544,243</b>	<b>\$ 169,241</b>	<b>\$ 273,304</b>	<b>\$ 7,824</b>	<b>\$ 28,890</b>	<b>\$ 1,126,135</b>	<b>\$ 157,780</b>	<b>\$ 123,056</b>	<b>\$ 124,058</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$	\$ 944	\$ 48,657	\$ 606	\$ 15,200	\$ 202,318	\$	\$ 33	\$
Unearned revenue				203					
Due to other funds			96,000	7,000					
<b>Total liabilities</b>	<b>-</b>	<b>944</b>	<b>144,657</b>	<b>7,809</b>	<b>15,200</b>	<b>202,318</b>	<b>-</b>	<b>33</b>	<b>-</b>
<b>Deferred inflows of resources:</b>									
Unavailable revenue - loans receivable	488,841								
<b>Fund Balances:</b>									
Nonspendable						85,074			
Restricted	55,402	168,297	128,647	15		676,690			
Committed					13,690	162,053	157,780	123,023	124,058
<b>Total fund balances</b>	<b>55,402</b>	<b>168,297</b>	<b>128,647</b>	<b>15</b>	<b>13,690</b>	<b>923,817</b>	<b>157,780</b>	<b>123,023</b>	<b>124,058</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 544,243</b>	<b>\$ 169,241</b>	<b>\$ 273,304</b>	<b>\$ 7,824</b>	<b>\$ 28,890</b>	<b>\$ 1,126,135</b>	<b>\$ 157,780</b>	<b>\$ 123,056</b>	<b>\$ 124,058</b>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2014

	Special Revenue Funds				Capital Project Funds				
	Smoke Detector Fund	Misc. Grants Fund	Summer Student Fund	NSP Program Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement Fund	Brownfield Assessment	Factory H Demolition Fund
<b>ASSETS</b>									
Cash and cash equivalents	\$ 247	\$ 254,368	\$	\$	\$ 122	\$	\$ 111	\$ 78,477	\$ 348,889
Investments									
Accounts receivable		35,158				702,511	19,889	3,475	
Due from other funds									
Inventory									
<b>Total Assets</b>	<b>\$ 247</b>	<b>\$ 289,526</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 122</b>	<b>\$ 702,511</b>	<b>\$ 20,000</b>	<b>\$ 81,952</b>	<b>\$ 348,889</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$	\$ 77,342	\$	\$	\$	\$	\$ 9,372	\$	\$
Unearned revenue		140,714							228
Due to other funds						20,000			32,000
<b>Total liabilities</b>	<b>-</b>	<b>218,056</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>9,372</b>	<b>32,228</b>	
<b>Deferred inflows of resources:</b>									
Unavailable revenue - loans receivable									
<b>Fund Balances:</b>									
Nonspendable									
Restricted	247	71,470				702,511		72,580	316,661
Committed					122				
<b>Total fund balances</b>	<b>247</b>	<b>71,470</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>702,511</b>	<b>-</b>	<b>72,580</b>	<b>316,661</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 247</b>	<b>\$ 289,526</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 122</b>	<b>\$ 702,511</b>	<b>\$ 20,000</b>	<b>\$ 81,952</b>	<b>\$ 348,889</b>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2014

	Capital Project Funds			Permanent Funds					Total
	Misc. Capital Project Grants	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award	Charlotte Yale Ives	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 746	\$ 146,639	\$ 60,171	\$ 43,434	\$ 105,757	\$ 453,656	\$ 8,629	\$ 3,257	\$ 5,728,808
Investments				639,118	1,115,386				1,754,504
Accounts receivable	288,908								5,332,443
Due from other funds									25,000
Inventory									85,074
<b>Total Assets</b>	<b>\$ 289,654</b>	<b>\$ 146,639</b>	<b>\$ 60,171</b>	<b>\$ 682,552</b>	<b>\$ 1,221,143</b>	<b>\$ 453,656</b>	<b>\$ 8,629</b>	<b>\$ 3,257</b>	<b>\$ 12,925,829</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ 280,654	\$	\$	\$ 280	\$ 24	\$	\$	\$	\$ 2,403,231
Unearned revenue									246,725
Due to other funds	9,000								771,000
<b>Total liabilities</b>	<b>289,654</b>	<b>-</b>	<b>-</b>	<b>280</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,420,956</b>
<b>Deferred inflows of resources:</b>									
Unavailable revenue - loans receivable									2,408,376
<b>Fund Balances:</b>									
Nonspendable				50,000	50,000	327,530	1,017	3,000	516,621
Restricted			60,171	632,272	1,171,119	126,126	7,612	257	5,795,245
Committed		146,639							784,631
<b>Total fund balances</b>	<b>-</b>	<b>146,639</b>	<b>60,171</b>	<b>682,272</b>	<b>1,221,119</b>	<b>453,656</b>	<b>8,629</b>	<b>3,257</b>	<b>7,096,497</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 289,654</b>	<b>\$ 146,639</b>	<b>\$ 60,171</b>	<b>\$ 682,552</b>	<b>\$ 1,221,143</b>	<b>\$ 453,656</b>	<b>\$ 8,629</b>	<b>\$ 3,257</b>	<b>\$ 12,925,829</b>



**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds								
	Document Preservation Fund	Community Development Block Grant	COPS Hiring Grant	Day Care Center	Women, Infant and Children Program	Education Grants	Health Grants	Meals on Wheels Program	Neighborhood Preservation (CDBG)
Revenues:									
Intergovernmental revenues	\$ 6,500	\$ 771,952	\$ 299,938	\$ 417,300	\$ 730,589	\$ 15,222,942	\$ 718,682	\$ 36,363	\$
Charges for services	21,518						94,312	117,401	
Investment income									
Other		1,035					5,000	4,817	59,371
Total revenues	<u>28,018</u>	<u>772,987</u>	<u>299,938</u>	<u>417,300</u>	<u>730,589</u>	<u>15,222,942</u>	<u>817,994</u>	<u>158,581</u>	<u>59,371</u>
Expenditures:									
General government	27,987	96,112							73,383
Public safety		370,265	299,938						
Public works									
Health and welfare		251,430		417,300	730,589		712,758	133,144	
Culture and recreation									
Capital outlay									
Education						14,770,654			
Debt service:									
Principal retirement									
Interest and other charges									
Total expenditures	<u>27,987</u>	<u>717,807</u>	<u>299,938</u>	<u>417,300</u>	<u>730,589</u>	<u>14,770,654</u>	<u>712,758</u>	<u>133,144</u>	<u>73,383</u>
Excess (Deficiency) of Revenues over Expenditures	<u>31</u>	<u>55,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,288</u>	<u>105,236</u>	<u>25,437</u>	<u>(14,012)</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out		(121,812)					(200,000)		
Total other financing sources (uses)	<u>-</u>	<u>(121,812)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	31	(66,632)	-	-	-	452,288	(94,764)	25,437	(14,012)
Fund Balances at Beginning of Year	<u>88,888</u>	<u>71,618</u>	<u>-</u>	<u>64,268</u>	<u>-</u>	<u>517,252</u>	<u>487,639</u>	<u>35,139</u>	<u>95,282</u>
Fund Balances at End of Year	<u>\$ 88,919</u>	<u>\$ 4,986</u>	<u>\$ -</u>	<u>\$ 64,268</u>	<u>\$ -</u>	<u>\$ 969,540</u>	<u>\$ 392,875</u>	<u>\$ 60,576</u>	<u>\$ 81,270</u>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>								
	<b>Neighborhood Preservation (Bonded)</b>	<b>Asset Forfeiture Fund</b>	<b>School Readiness</b>	<b>Law Enforcement Block Grant</b>	<b>Dog Fund</b>	<b>Public School Lunch</b>	<b>Public School Rental</b>	<b>Adult Evening School</b>	<b>Anti-Blight Fund</b>
Revenues:									
Intergovernmental revenues	\$	\$ 89,087	\$ 3,324,586	\$ 27,391	\$	\$ 4,039,752	\$	\$ 21,914	\$
Charges for services					15,443	880,553	122,487	21,914	43,300
Investment income						909			
Other		3,075				102,206			
Total revenues	<u>-</u>	<u>92,162</u>	<u>3,324,586</u>	<u>27,391</u>	<u>15,443</u>	<u>5,023,420</u>	<u>122,487</u>	<u>21,914</u>	<u>43,300</u>
Expenditures:									
General government									
Public safety		58,558		40,673	20,468				
Public works									
Health and welfare			3,324,586						
Culture and recreation									
Capital outlay									
Education						5,260,563	50,013	11,260	
Debt service:									
Principal retirement									
Interest and other charges									
Total expenditures	<u>-</u>	<u>58,558</u>	<u>3,324,586</u>	<u>40,673</u>	<u>20,468</u>	<u>5,260,563</u>	<u>50,013</u>	<u>11,260</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>33,604</u>	<u>-</u>	<u>(13,282)</u>	<u>(5,025)</u>	<u>(237,143)</u>	<u>72,474</u>	<u>10,654</u>	<u>43,300</u>
Other Financing Sources (Uses):									
Transfers in					10,000	3,163			
Transfers out				(653)					
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(653)</u>	<u>10,000</u>	<u>3,163</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	33,604	-	(13,935)	4,975	(233,980)	72,474	10,654	43,300
Fund Balances at Beginning of Year	55,402	134,693	128,647	13,950	8,715	1,157,797	85,306	112,369	80,758
Fund Balances at End of Year	<u>\$ 55,402</u>	<u>\$ 168,297</u>	<u>\$ 128,647</u>	<u>\$ 15</u>	<u>\$ 13,690</u>	<u>\$ 923,817</u>	<u>\$ 157,780</u>	<u>\$ 123,023</u>	<u>\$ 124,058</u>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>				
	<u>Smoke Detector Fund</u>	<u>Misc. Grants Fund</u>	<u>Summer Student Fund</u>	<u>NSP Program Fund</u>	<u>P &amp; R Capital and Nonrecurring</u>	<u>Capital and Nonrecurring</u>	<u>Airport Improvement Fund</u>	<u>Brownfield Assessment</u>	<u>Factory H Demolition Fund</u>
Revenues:									
Intergovernmental revenues	\$	\$ 537,061	\$	\$ 4,941	\$		\$ 19,889	\$ 24,119	\$ 745,783
Charges for services			4,425						
Investment income									150
Other		89,044				702,511			
Total revenues	<u>-</u>	<u>626,105</u>	<u>4,425</u>	<u>4,941</u>	<u>-</u>	<u>702,511</u>	<u>19,889</u>	<u>24,119</u>	<u>745,933</u>
Expenditures:									
General government		99,765		4,941					
Public safety	215	32,548							
Public works		18,669							
Health and welfare		7,137							
Culture and recreation		40,265							
Capital outlay		439,295					19,889	34,693	758,769
Education			4,425						
Debt service:									
Principal retirement									75,000
Interest and other charges									16,755
Total expenditures	<u>215</u>	<u>637,679</u>	<u>4,425</u>	<u>4,941</u>	<u>-</u>	<u>-</u>	<u>19,889</u>	<u>34,693</u>	<u>850,524</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(215)</u>	<u>(11,574)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,511</u>	<u>-</u>	<u>(10,574)</u>	<u>(104,591)</u>
Other Financing Sources (Uses):									
Transfers in		24,794					-	40,000	91,755
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>24,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>91,755</u>
Net Change in Fund Balances	(215)	13,220	-	-	-	702,511	-	29,426	(12,836)
Fund Balances at Beginning of Year	462	58,250	-	-	122	-	-	43,154	329,497
Fund Balances at End of Year	<u>\$ 247</u>	<u>\$ 71,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 702,511</u>	<u>\$ -</u>	<u>\$ 72,580</u>	<u>\$ 316,661</u>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Capital Project Funds			Permanent Funds					Eliminating Entries	Total
	Misc. Capital Project Grants	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award	Charlotte Yale Ives		
Revenues:										
Intergovernmental revenues	\$ 1,976,232	\$	\$	\$	\$	\$	\$	\$	\$	\$ 28,993,107
Charges for services										1,321,353
Investment income				98,220	170,328					269,607
Other			60			130,383				1,097,502
Total revenues	<u>1,976,232</u>	<u>-</u>	<u>60</u>	<u>98,220</u>	<u>170,328</u>	<u>130,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,681,569</u>
Expenditures:										
General government							39	15		302,242
Public safety										822,665
Public works										18,669
Health and welfare										5,576,944
Culture and recreation				17,614	36,761	81,214				175,854
Capital outlay	1,976,232	83,519								3,312,397
Education										20,096,915
Debt service:										
Principal retirement										75,000
Interest and other charges										16,755
Total expenditures	<u>1,976,232</u>	<u>83,519</u>	<u>-</u>	<u>17,614</u>	<u>36,761</u>	<u>81,214</u>	<u>39</u>	<u>15</u>	<u>-</u>	<u>30,397,441</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(83,519)</u>	<u>60</u>	<u>80,606</u>	<u>133,567</u>	<u>49,169</u>	<u>(39)</u>	<u>(15)</u>	<u>-</u>	<u>1,284,128</u>
Other Financing Sources (Uses):										
Transfers in									(91,755)	77,957
Transfers out									91,755	(230,710)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,753)</u>
Net Change in Fund Balances	<u>-</u>	<u>(83,519)</u>	<u>60</u>	<u>80,606</u>	<u>133,567</u>	<u>49,169</u>	<u>(39)</u>	<u>(15)</u>	<u>-</u>	<u>1,131,375</u>
Fund Balances at Beginning of Year	<u>-</u>	<u>230,158</u>	<u>60,111</u>	<u>601,666</u>	<u>1,087,552</u>	<u>404,487</u>	<u>8,668</u>	<u>3,272</u>	<u>-</u>	<u>5,965,122</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 146,639</u>	<u>\$ 60,171</u>	<u>\$ 682,272</u>	<u>\$ 1,221,119</u>	<u>\$ 453,656</u>	<u>\$ 8,629</u>	<u>\$ 3,257</u>	<u>\$ -</u>	<u>\$ 7,096,497</u>

# **Internal Service Funds**

## **PROPRIETARY FUNDS**

### **INTERNAL SERVICE FUNDS**

**Internal Service Funds** - Internal Service Funds are used for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two such funds.

**Workers' Compensation Fund** - To account for the self-insured operations of workers' compensation activities.

**Meriden Health Insurance** - To account for the self-insured operations of health insurance claims and charges for employees' health insurance.

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

**JUNE 30, 2014**

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Workers'</u>	<u>Meriden</u>	
	<u>Compensation</u>	<u>Health</u>	
	<u>Fund</u>	<u>Insurance</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 306,426	\$ 1,376,127	\$ 1,682,553
Investments	2,692,125	2,557,591	5,249,716
Accounts receivable		277,895	277,895
Due from other funds	150,905		150,905
Other assets		22,978	22,978
Total assets	<u>3,149,456</u>	<u>4,234,591</u>	<u>7,384,047</u>
Liabilities:			
Current liabilities:			
Accounts payable		22,395	22,395
Claims payable	2,294,108		2,294,108
Due to other funds	2,000,000		2,000,000
Total current liabilities	<u>4,294,108</u>	<u>22,395</u>	<u>4,316,503</u>
Noncurrent liabilities:			
Claims incurred but not reported	<u>4,588,217</u>	<u>1,883,506</u>	<u>6,471,723</u>
Total liabilities	<u>8,882,325</u>	<u>1,905,901</u>	<u>10,788,226</u>
Total Net Position	<u>\$ (5,732,869)</u>	<u>\$ 2,328,690</u>	<u>\$ (3,404,179)</u>

## CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ 2,443,956	\$ 24,494,853	\$ 26,938,809
Other revenues	37,295	789,622	826,917
Total operating revenues	<u>2,481,251</u>	<u>25,284,475</u>	<u>27,765,726</u>
Operating Expenses:			
Claims	3,252,941	21,700,312	24,953,253
Administrative	157,571	2,242,790	2,400,361
Other expenses	1,801	2,713,345	2,715,146
Total operating expenses	<u>3,412,313</u>	<u>26,656,447</u>	<u>30,068,760</u>
Operating Loss	(931,062)	(1,371,972)	(2,303,034)
Nonoperating Revenues:			
Investment income		560,642	560,642
Change in Net Position	(931,062)	(811,330)	(1,742,392)
Net Position at Beginning of Year	<u>(4,801,807)</u>	<u>3,140,020</u>	<u>(1,661,787)</u>
Net Position at End of Year	<u>\$ (5,732,869)</u>	<u>\$ 2,328,690</u>	<u>\$ (3,404,179)</u>



**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 3,959,075	\$ 25,376,095	\$ 29,335,170
Receipts for interfund services provided		(456,788)	(456,788)
Payments to suppliers	(159,984)	(4,935,794)	(5,095,778)
Payments to vendors	(3,220,777)	(21,929,011)	(25,149,788)
Payments for interfund services used	1,756,688		1,756,688
Net cash provided by (used in) operating activities	<u>2,335,002</u>	<u>(1,945,498)</u>	<u>389,504</u>
<b>Cash Flows from Investing Activities:</b>			
Sales of investments		307,165	307,165
Purchase of investments	(2,692,125)		(2,692,125)
Interest on investments		560,642	560,642
Net cash provided by (used in) investing activities	<u>(2,692,125)</u>	<u>867,807</u>	<u>(1,824,318)</u>
Net Decrease in Cash and Cash Equivalents	(357,123)	(1,077,691)	(1,434,814)
Cash and Cash Equivalents at Beginning of Year	<u>663,549</u>	<u>2,453,818</u>	<u>3,117,367</u>
Cash and Cash Equivalents at End of Year	<u>\$ 306,426</u>	<u>\$ 1,376,127</u>	<u>\$ 1,682,553</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating loss	\$ (931,062)	\$ (1,371,972)	\$ (2,303,034)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	1,477,824	114,598	1,592,422
(Increase) decrease in due from other funds		(456,788)	(456,788)
(Increase) decrease in other assets		(22,978)	(22,978)
Increase (decrease) in accounts payable	(612)	20,341	19,729
Increase (decrease) in claims payable	32,164	(228,699)	(196,535)
Increase (decrease) in due to other funds	1,756,688		1,756,688
Total adjustments	<u>3,266,064</u>	<u>(573,526)</u>	<u>2,692,538</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,335,002</u>	<u>\$ (1,945,498)</u>	<u>\$ 389,504</u>

# **Fiduciary Funds**

## **FIDUCIARY FUNDS**

### **PRIVATE PURPOSE TRUST FUNDS**

**East Cemetery Trust Fund** - To account for the receipts and disbursements related to the Katherine H. Hamlin Cemetery Trust and various East Cemetery Escrow Trusts.

**Scholarship Trust Fund** - To account for the receipts and disbursements of various Board of Education scholarships.

### **AGENCY FUNDS**

**Agency Funds** - To account for monies held for third parties. Agency funds are custodial in nature (assets equal liabilities) and are used to account for senior activities, student activities and performance bonds. The City's Agency Funds are as follows:

- Senior Trips
- Student Activity Fund
- Performance Bonds
- Police Evidence Fund
- Engineering Performance Bonds
- South Meriden Volunteer Firefighters' Award Program

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2014

	<u>Cemetery Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 144,022	\$ 106,379	\$ 250,401
Investments, at fair value:			
Fixed income securities	<u>                    </u>	<u>148,182</u>	<u>148,182</u>
Total assets	<u>144,022</u>	<u>254,561</u>	<u>398,583</u>
Net Position:			
Held for Trust Purposes	<u>\$ 144,022</u>	<u>\$ 254,561</u>	<u>\$ 398,583</u>

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Cemetery Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Additions:			
Investment earnings:			
Interest and dividends	\$ 144	\$ 3,457	\$ 3,601
Deductions:			
Benefits		<u>9,163</u>	<u>9,163</u>
Change in Net Position	144	(5,706)	(5,562)
Net Position at Beginning of Year	<u>143,878</u>	<u>260,267</u>	<u>404,145</u>
Net Position at End of Year	<u>\$ 144,022</u>	<u>\$ 254,561</u>	<u>\$ 398,583</u>

## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>Senior Trips Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ 163	\$ 3,367	\$ 3,121	\$ 409
Liabilities:				
Deposits held for others	\$ 163	\$ 3,367	\$ 3,121	\$ 409
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 501,899	\$ 1,604,178	\$ 1,454,907	\$ 651,170
Investments	153,052	10,461	109,619	53,894
Total Assets	\$ 654,951	\$ 1,614,639	\$ 1,564,526	\$ 705,064
Liabilities:				
Deposits held for others	\$ 654,951	\$ 1,614,639	\$ 1,564,526	\$ 705,064
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 2,361,962	\$ 328,814	\$ 463,418	\$ 2,227,358
Accounts receivable		30,034		30,034
Total Assets:	\$ 2,361,962	\$ 358,848	\$ 463,418	\$ 2,257,392
Liabilities:				
Deposits held for others	\$ 2,361,962	\$ 358,848	\$ 463,418	\$ 2,257,392
<b>Police Evidence Fund</b>				
Assets:				
Cash and cash equivalents	\$ 46,827	\$ 114,312	\$ 109,557	\$ 51,582
Liabilities:				
Deposits held for others	\$ 46,827	\$ 114,312	\$ 109,557	\$ 51,582

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

## FOR THE YEAR ENDED JUNE 30, 2014

	<b>Balance June 30, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2014</b>
<b>Engineering Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 48,750	\$ 15,000	\$ 7,500	\$ 56,250
Liabilities:				
Deposits held for others	\$ 48,750	\$ 15,000	\$ 7,500	\$ 56,250
<b>South Meriden Volunteer Firefighters' Award Program</b>				
Assets:				
Cash and cash equivalents	\$	\$ 42,500	\$ 1,066	\$ 41,434
Investments	85,504	104,488	42,500	147,492
Total Assets	\$ 85,504	\$ 146,988	\$ 43,566	\$ 188,926
Liabilities:				
Deposits held for others	\$ 85,504	\$ 146,988	\$ 43,566	\$ 188,926
<b>Total</b>				
Assets:				
Cash and cash equivalents	\$ 2,959,601	\$ 2,108,171	\$ 2,039,569	\$ 3,028,203
Investments	238,556	114,949	152,119	201,386
Accounts receivable		30,034		30,034
Total Assets	\$ 3,198,157	\$ 2,253,154	\$ 2,191,688	\$ 3,259,623
Liabilities:				
Deposits held for others	\$ 3,198,157	\$ 2,253,154	\$ 2,191,688	\$ 3,259,623

## **Other Schedules**



**CITY OF MERIDEN, CONNECTICUT**  
**PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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Grand List of October 1,	Uncollected Balance July 1, 2013	Current Year Levy	Lawful Corrections	Transfers to (Recoveries from Suspense)	Balance to be Collected	Collections				Uncollected Balance June 30, 2014
						Taxes	Interest	Liens	Total	
1997	\$ 5,052	\$	\$ (5,052)	\$	\$ -	\$	\$	\$	\$ -	\$ -
1998	242,212		(1,312)		240,900	539	1,749		2,288	240,361
1999	279,382		(1,382)		278,000	614	1,218		1,832	277,386
2000	360,007		(1,397)		358,610	1,231	1,782		3,013	357,379
2001	325,746		(875)		324,871	1,157	3,045		4,202	323,714
2002	369,857		(1,636)		368,221	3,065	5,434		8,499	365,156
2003	356,721		(822)		355,899	7,235	7,804	48	15,087	348,664
2004	530,453		(2,513)		527,940	12,430	13,129	120	25,679	515,510
2005	426,383		(2,964)		423,419	10,096	14,080	96	24,272	413,323
2006	278,790		(2,220)		276,570	9,033	10,280	48	19,361	267,537
2007	422,321		(113,255)		309,066	17,114	15,303	240	32,657	291,952
2008	497,959		(157,243)		340,716	30,584	21,693	281	52,558	310,132
2009	757,459		(167,327)		590,132	100,180	72,384	863	173,427	489,952
2010	1,238,489		(183,986)		1,054,503	284,621	101,841	2,744	389,206	769,882
2011	3,146,858		(523,786)		2,623,072	1,392,441	304,964	12,616	1,710,021	1,230,631
Total prior years	9,237,689		(1,165,770)	-	8,071,919	1,870,340	574,706	17,056	2,462,102	6,201,579
2012		114,813,248	(991,830)		113,821,418	110,777,791	471,169	6,317	111,255,277	3,043,627
Total	\$ 9,237,689	\$ 114,813,248	\$ (2,157,600)	\$ -	\$ 121,893,337	\$ 112,648,131	\$ 1,045,875	\$ 23,373	\$ 113,717,379	\$ 9,245,206

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Fiscal Year	Uncollected Balance July 1, 2013	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2014
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
1998	\$ 99	\$	\$ 91	\$ 190	\$ -	\$	\$	\$	\$ -	\$ -
1999	276		20	182	114				-	114
2000	60		8		68				-	68
2001	61				61				-	61
2002	756				756				-	756
2003	60				60				-	60
2004	2,158			2,070	88		980		980	88
2005	73			28	45				-	45
2006	27			27	-				-	-
2007	44			28	16				-	16
2008	875			200	675	417	396	103	916	258
2009	5,054			523	4,531	2,342	1,957	336	4,635	2,189
2010	17,568			294	17,274	7,020	4,688	983	12,691	10,254
2011	96,768		102	358	96,512	43,263	19,986	3,110	66,359	53,249
2012	337,472		7	25	337,454	181,578	52,651	4,636	238,865	155,876
2013	1,314,901		309	3,771	1,311,439	1,110,790	97,681	14,214	1,222,685	200,649
Total prior years	1,776,252	-	537	7,696	1,769,093	1,345,410	178,339	23,382	1,547,131	423,683
2014		8,060,717	2,010	20,762	8,041,965	6,890,684	79,838	40,437	7,010,959	1,151,281
Total	\$ 1,776,252	\$ 8,060,717	\$ 2,547	\$ 28,458	\$ 9,811,058	\$ 8,236,094	\$ 258,177	\$ 63,819	\$ 8,558,090	\$ 1,574,964

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Fiscal Year	Uncollected Balance July 1, 2013	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2014
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
1998	\$ 360	\$	\$	\$ 360	\$ -	\$	\$	\$	\$ -	\$ -
1999	473			321	152				-	152
2000	75				75				-	75
2001	69				69				-	69
2002	1,064				1,064				-	1,064
2003	67				67				-	67
2004	675			576	99				-	99
2005	112			31	81				-	81
2006	63			31	32				-	32
2007	65			31	34				-	34
2008	719			31	688	409	388	48	845	279
2009	6,033				618	2,208	1,688	336	4,232	3,207
2010	16,173				286	6,872	4,782	832	12,486	9,015
2011	77,487		96	214	77,369	31,455	15,050	3,310	49,815	45,914
2012	292,138		7	25	292,120	155,285	45,188	5,771	206,244	136,835
2013	1,196,747		208	1,235	1,195,720	1,016,757	84,396	20,718	1,121,871	178,963
Total prior years	1,592,320	-	311	3,759	1,588,872	1,212,986	151,492	31,015	1,395,493	375,886
2014		8,303,225	1,563	6,047	8,298,741	7,207,434	80,411	44,007	7,331,852	1,091,307
Total	\$ 1,592,320	\$ 8,303,225	\$ 1,874	\$ 9,806	\$ 9,887,613	\$ 8,420,420	\$ 231,903	\$ 75,022	\$ 8,727,345	\$ 1,467,193

## CITY OF MERIDEN, CONNECTICUT

SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS - BUDGET  
AND ACTUAL - SEWER AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Operating Revenues:</b>				
Sewer connection and use charges	\$ 8,799,638	\$ 8,799,638	\$ 8,605,665	\$ (193,973)
Miscellaneous income	483,000	483,000	642,098	159,098
Total operating revenues	<u>9,282,638</u>	<u>9,282,638</u>	<u>9,247,763</u>	<u>(34,875)</u>
<b>Operating Expenses:</b>				
Part-time seasonal	1	1		1
Overtime	120,000	120,000	99,162	20,838
Wages - public works	648,847	648,847	551,168	97,679
Wages - MME	57,566	57,566	58,787	(1,221)
Wages - supervisor	394,138	394,138	401,668	(7,530)
Employee benefits	667,852	667,852	613,003	54,849
Utilities	1,050,000	1,050,000	950,661	99,339
Repairs and maintenance	131,000	131,000	113,401	17,599
Vehicle maintenance	22,000	22,000	13,209	8,791
Audit fees	10,565	10,565	9,160	1,405
Hepatitis B shots	5,000	5,000	3,244	1,756
Fiscal division services	784,680	784,680	782,949	1,731
General fund services	647,151	647,151	647,151	-
Claims	5,000	5,000		5,000
Supplies	617,832	617,832	514,296	103,536
Biosolid disposals	710,000	710,000	685,169	24,831
Pumping station operations	60,000	60,000	46,643	13,357
Capital outlay	1	491,406	211,900	279,506
Memberships and meeting	8,000	8,000	4,086	3,914
Insurance	638,503	638,503	609,523	28,980
Total operating expenses	<u>6,578,136</u>	<u>7,069,541</u>	<u>6,315,180</u>	<u>754,361</u>
<b>Nonoperating Revenues (Expenses):</b>				
Debt service - principal	(2,074,728)	(2,074,728)	(2,071,726)	3,002
Interest on investments	27,800	27,800	16,627	(11,173)
Debt service - interest	(801,228)	(801,228)	(804,803)	(3,575)
Total nonoperating expenses	<u>(2,848,156)</u>	<u>(2,848,156)</u>	<u>(2,859,902)</u>	<u>(11,746)</u>
<b>Other Financing Sources (Uses):</b>				
Contribution from net assets	143,654	635,059	-	(635,059)
Excess of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>72,681</u>	\$ <u>72,681</u>

## CITY OF MERIDEN, CONNECTICUT

SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS - BUDGET  
AND ACTUAL - WATER AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Operating Revenues:				
Water sales and charges	\$ 9,165,599	\$ 9,234,299	\$ 9,444,292	\$ 209,993
Miscellaneous income	1,802,981	1,734,281	1,876,298	142,017
Total operating revenues	<u>10,968,580</u>	<u>10,968,580</u>	<u>11,320,590</u>	<u>352,010</u>
Operating Expenses:				
Part-time seasonal	16,000	782	2,591	(1,809)
Administration	114,013	114,013	193,549	(79,536)
Overtime	145,000	153,500	167,273	(13,773)
Wages - public works	1,706,928	1,706,928	1,559,081	147,847
Wages - MME	178,454	178,454	182,792	(4,338)
Wages - supervisor	266,848	266,848	229,980	36,868
Employee benefits	2,162,603	2,162,603	1,755,581	407,022
Gasoline	50,100	50,100	55,197	(5,097)
Taxes paid to other towns	60,624	60,624	55,876	4,748
Utilities	825,000	825,000	720,098	104,902
Repairs and maintenance	15,000	35,000	25,297	9,703
Vehicle maintenance	81,900	81,900	58,464	23,436
Attorney fees	9,000	9,000	8,970	30
Audit fees	10,565	10,565	9,160	1,405
Water purchased	266,320	266,320	211,513	54,807
Other purchased services	86,575	86,575	51,895	34,680
Hepatitis B shots	4,250	4,250	1,705	2,545
Fiscal division services	848,368	848,368	848,368	-
General fund services	1,239,081	1,239,081	1,239,081	-
Maintenance of mains	25,000	36,000	35,557	443
Maintenance of reservoirs	40,000	46,000	45,751	249
Maintenance of pump station	40,000	44,000	41,590	2,410
Maintenance of meters	15,000	15,000	14,970	30
Supplies	60,000	60,000	67,395	(7,395)
Services - materials	6,550	6,550	13,025	(6,475)
Treatment expenses	536,700	551,700	556,834	(5,134)
Water equipment	23,000	23,000	15,393	7,607
Hydrants and mains - materials	6,001	6,001	3,930	2,071
Repairs - trenches	40,000	65,000	61,818	3,182
Capital outlay	22,500	460,463	58,700	401,763
Memberships and meeting	11,575	11,575	11,049	526
Insurance	402,677	328,395	316,175	12,220
Total operating expenses	<u>9,315,632</u>	<u>9,753,595</u>	<u>8,618,658</u>	<u>1,134,937</u>
Nonoperating Revenues (Expenses):				
Interest on investments	18,000	18,000	15,019	(2,981)
Debt service - principal	(1,230,000)	(1,342,849)	(1,342,849)	-
Debt service - interest	(440,948)	(488,099)	(524,183)	(36,084)
Total nonoperating expenses	<u>(1,652,948)</u>	<u>(1,812,948)</u>	<u>(1,852,013)</u>	<u>(39,065)</u>
Other Financing Sources (Uses):				
Contribution from net assets	-	597,963	-	(597,963)
Excess of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>849,919</u>	\$ <u>849,919</u>

## CITY OF MERIDEN, CONNECTICUT

**SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS - BUDGET  
AND ACTUAL - GEORGE HUNTER MEMORIAL GOLF COURSE**

**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Golf fees	\$ 1,019,246	\$ 1,019,246	\$ 891,349	\$ (127,897)
Operating Expenses:				
Miscellaneous overtime	97,020	97,020	116,481	(19,461)
Overtime	16,200	16,200	12,614	3,586
Wages - public works	114,673	114,673	60,222	54,451
Wages - supervisors	89,537	89,537	91,786	(2,249)
Employee benefits	112,974	112,974	88,045	24,929
Golf supplies and expenses	175,437	175,437	196,844	(21,407)
Golf pros	237,640	237,640	208,323	29,317
Club house expenses	34,079	34,079	34,596	(517)
Liability and general insurance	80,208	80,208	60,454	19,754
Capital outlay	15,500	15,500	32,762	(17,262)
Memberships and meeting	2,400	2,400	1,078	1,322
Total operating expenses	<u>975,668</u>	<u>975,668</u>	<u>903,205</u>	<u>72,463</u>
Nonoperating Revenues (Expenses):				
Debt service - principal	(40,000)	(40,000)	(15,000)	25,000
Debt service - interest	(3,578)	(3,578)	(3,393)	185
Total nonoperating revenues (expenses)	<u>(43,578)</u>	<u>(43,578)</u>	<u>(18,393)</u>	<u>25,185</u>
Deficiency of Revenues over Expenses	\$ -	\$ -	\$ (30,249)	\$ (30,249)

# Statistical Section

## STATISTICAL SECTION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.



## CITY OF MERIDEN, CONNECTICUT

## NET POSITION BY COMPONENT

**LAST TEN YEARS**  
**(In Thousands)**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
Net investment in capital assets	\$ 187,903	\$ 130,773	\$ 122,787	\$ 101,928	\$ 113,033	\$ 104,751	\$ 101,766	\$ 94,127	\$ 107,105	\$ 104,144
Restricted	1,357	1,356	952	1,347	1,257	825	4,220	6,497	5,284	6,485
Unrestricted	(94,573)	(69,494)	(62,882)	(40,973)	(51,488)	(38,240)	(37,108)	(20,224)	(54,963)	(63,007)
Total Governmental Activities Net Position	<u>\$ 94,687</u>	<u>\$ 62,635</u>	<u>\$ 60,857</u>	<u>\$ 62,302</u>	<u>\$ 62,802</u>	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 80,400</u>	<u>\$ 57,426</u>	<u>\$ 47,622</u>
Business-Type Activities:										
Net investment in capital assets	\$ 78,893	\$ 81,045	\$ 81,563	\$ 89,259	\$ 91,927	\$ 116,827	\$ 84,022	\$ 77,019	\$ 85,780	\$ 89,674
Unrestricted	13,279	12,734	15,870	11,855	10,671	12,428	16,664	27,207	19,366	18,644
Total Business-Type Activities Net Position	<u>\$ 92,172</u>	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 101,114</u>	<u>\$ 102,598</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 104,226</u>	<u>\$ 105,146</u>	<u>\$ 108,318</u>
Primary Government:										
Net investment in capital assets	\$ 266,796	\$ 211,818	\$ 204,350	\$ 191,187	\$ 204,960	\$ 221,578	\$ 185,788	\$ 171,146	\$ 192,885	\$ 193,818
Restricted	1,357	1,356	952	1,347	1,257	825	4,220	6,497	5,284	6,485
Unrestricted	(81,294)	(56,760)	(47,012)	(29,118)	(40,817)	(25,812)	(20,444)	6,983	(35,597)	(44,363)
Total Primary Government Net Position	<u>\$ 186,859</u>	<u>\$ 156,414</u>	<u>\$ 158,290</u>	<u>\$ 163,416</u>	<u>\$ 165,400</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>	<u>\$ 184,626</u>	<u>\$ 162,572</u>	<u>\$ 155,940</u>

## CITY OF MERIDEN, CONNECTICUT

## CHANGES IN NET POSITION

LAST TEN YEARS  
(In Thousands)  
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
Governmental activities:										
General government	\$ 15,303	\$ 13,392	\$ 35,202	\$ 30,816	\$ 29,931	\$ 29,068	\$ 28,682	\$ 34,754	\$ 24,804	\$ 64,519
Education	141,547	132,521	136,298	138,091	132,771	133,862	158,802	115,598	106,287	90,527
Public safety	42,606	44,424	24,364	23,810	24,051	23,155	23,479	19,433	29,390	18,104
Public works	14,168	14,604	10,705	9,249	9,866	10,849	10,037	10,569	10,104	9,277
Human services	9,952	10,560	8,053	8,652	9,233	9,675	8,665	10,262	6,413	8,719
Culture and recreation	5,721	6,689	5,408	5,075	4,414	4,472	4,287			
Interest on long-term debt	3,340	2,957	3,052	3,024	2,806	3,967	3,209	3,614	4,275	6,583
Total governmental activities expenses	<u>232,637</u>	<u>225,147</u>	<u>223,082</u>	<u>218,717</u>	<u>213,072</u>	<u>215,048</u>	<u>237,161</u>	<u>194,230</u>	<u>181,273</u>	<u>197,729</u>
Business-type activities:										
Sewer Authority	11,206	11,441	10,816	9,659	7,951	8,552	7,893	7,480	6,662	6,390
Water Authority	11,073	11,334	9,882	10,256	10,546	10,628	10,312	8,276	7,885	8,015
George Hunter Golf Course	1,135	1,184	1,303	1,126	976	966	927	881	944	754
Total business-type activities expenses	<u>23,414</u>	<u>23,959</u>	<u>22,001</u>	<u>21,041</u>	<u>19,473</u>	<u>20,146</u>	<u>19,132</u>	<u>16,637</u>	<u>15,491</u>	<u>15,159</u>
Total Primary Government Expenses	<u>\$ 256,051</u>	<u>\$ 249,106</u>	<u>\$ 245,083</u>	<u>\$ 239,758</u>	<u>\$ 232,545</u>	<u>\$ 235,194</u>	<u>\$ 256,293</u>	<u>\$ 210,867</u>	<u>\$ 196,764</u>	<u>\$ 212,888</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,108	\$ 1,959	\$ 1,955	\$ 2,522	\$ 2,246	\$ 2,931	\$ 3,597	\$ 3,376	\$ 5,662	\$ 28,079
Education	1,029	1,048	1,061	1,047	1,143	1,208	1,207	1,742	1,386	1,510
Public safety	77	75	47	50	46	42	65	991	112	118
Public works	1,919	1,865	1,813	1,737	1,691	1,634	1,583	117	223	166
Human services	292	314	243	289	378	274	723	195	365	553
Culture and recreation	27	29	43	33	34	31	42	6		
Operating grants and contributions	98,510	94,358	94,000	89,914	87,388	84,594	109,223	19,914	21,265	12,437
Capital grants and contributions	41,292	10,379	4,094	3,744	2,543	3,989	6,413	6,491	5,895	11,140
Total governmental activities	<u>145,254</u>	<u>110,027</u>	<u>103,256</u>	<u>99,336</u>	<u>95,469</u>	<u>94,703</u>	<u>122,853</u>	<u>32,832</u>	<u>34,908</u>	<u>54,003</u>
Business-type activities:										
Charges for services:										
Sewer Authority	8,629	8,228	8,615	8,507	6,459	5,967	5,964	7,023	6,169	4,950
Water Authority	10,433	9,065	8,255	8,935	8,719	7,663	7,719	7,322	7,458	7,855
George Hunter Golf Course	982	958	1,074	779	787	827	816	798	786	826
Capital grants and contributions	128	284		161	2,676	33,244				
Total business-type activities	<u>20,172</u>	<u>18,535</u>	<u>17,944</u>	<u>18,382</u>	<u>18,641</u>	<u>47,701</u>	<u>14,499</u>	<u>15,143</u>	<u>14,413</u>	<u>13,631</u>
Total Primary Government Program Revenues	<u>\$ 165,426</u>	<u>\$ 128,562</u>	<u>\$ 121,200</u>	<u>\$ 117,718</u>	<u>\$ 114,110</u>	<u>\$ 142,404</u>	<u>\$ 137,352</u>	<u>\$ 47,975</u>	<u>\$ 49,321</u>	<u>\$ 67,634</u>
Net Revenues (Expenses):										
Governmental activities	\$ (87,383)	\$ (115,120)	\$ (119,826)	\$ (119,381)	\$ (117,603)	\$ (120,345)	\$ (114,308)	\$ (161,398)	\$ (146,365)	\$ (143,726)
Business-type activities	(3,242)	(5,424)	(4,057)	(2,659)	(832)	27,555	(4,633)	(1,494)	(1,078)	(1,528)
Total Primary Government Net Expenses	<u>\$ (90,625)</u>	<u>\$ (120,544)</u>	<u>\$ (123,883)</u>	<u>\$ (122,040)</u>	<u>\$ (118,435)</u>	<u>\$ (92,790)</u>	<u>\$ (118,941)</u>	<u>\$ (162,892)</u>	<u>\$ (147,443)</u>	<u>\$ (145,254)</u>
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 113,452	\$ 108,622	\$ 110,885	\$ 109,377	\$ 106,619	\$ 104,384	\$ 100,322	\$ 105,354	\$ 94,042	\$ 92,580
Grants and contributions not restricted to specific programs	1,752	1,801	1,873	2,598	2,720	3,425	3,917	59,928	55,252	57,502
Unrestricted investment earnings	1,327	680	914	1,218	856	694	1,430	2,483	1,455	925
Miscellaneous income	2,904	5,795	3,654	7,391	3,073	10,300	4,207	6,512	4,866	6,731
Transfers					836					
Total governmental activities	<u>119,435</u>	<u>116,898</u>	<u>117,326</u>	<u>120,584</u>	<u>114,104</u>	<u>118,803</u>	<u>109,876</u>	<u>174,277</u>	<u>155,615</u>	<u>157,738</u>
Business-type activities:										
Unrestricted investment earnings	76	69	92	85	70	121	400	574	461	242
Miscellaneous income	1,558	1,702	1,337	1,024	1,043	893	914			
Transfers					(836)					
Total business-type activities	<u>1,634</u>	<u>1,771</u>	<u>1,429</u>	<u>1,109</u>	<u>277</u>	<u>1,014</u>	<u>1,314</u>	<u>574</u>	<u>461</u>	<u>242</u>
Total Primary Government	<u>\$ 121,069</u>	<u>\$ 118,669</u>	<u>\$ 118,755</u>	<u>\$ 121,693</u>	<u>\$ 114,381</u>	<u>\$ 119,817</u>	<u>\$ 111,190</u>	<u>\$ 174,851</u>	<u>\$ 156,076</u>	<u>\$ 157,980</u>
Change in Net Position:										
Governmental activities	\$ 32,052	\$ 1,778	\$ (2,500)	\$ 1,203	\$ (3,499)	\$ (1,542)	\$ (4,432)	\$ 12,878	\$ 9,249	\$ 14,011
Business-type activities	(1,608)	(3,653)	(2,628)	(1,550)	(555)	28,569	(3,319)	(920)	(617)	(1,286)
Total Primary Government	<u>\$ 30,444</u>	<u>\$ (1,875)</u>	<u>\$ (5,128)</u>	<u>\$ (347)</u>	<u>\$ (4,054)</u>	<u>\$ 27,027</u>	<u>\$ (7,751)</u>	<u>\$ 11,958</u>	<u>\$ 8,632</u>	<u>\$ 12,725</u>

**CITY OF MERIDEN, CONNECTICUT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**  
**(Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:										
Reserved	\$	\$	\$	\$	\$ 982	\$ 985	\$ 5,515	\$ 7,850	\$ 6,803	\$ 7,779
Unreserved					13,321	13,267	3,960	3,644	3,009	1,833
Nonspendable	131	126	134	133						
Restricted	948	1,010	520	825						
Committed	405	637	580	547						
Unassigned	16,043	15,725	16,024	16,761						
<b>Total General Fund</b>	<b>\$ 17,527</b>	<b>\$ 17,498</b>	<b>\$ 17,258</b>	<b>\$ 18,266</b>	<b>\$ 14,303</b>	<b>\$ 14,252</b>	<b>\$ 9,475</b>	<b>\$ 11,494</b>	<b>\$ 9,812</b>	<b>\$ 9,612</b>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$ 6,923	\$ 4,879	\$ 5,716	\$ 6,823	\$ 5,481	\$ 238
Unreserved, reported in:										
Special revenue funds					3,725	3,723	4,038	4,152	5,128	4,598
Capital projects funds					(12,326)	(2,183)	(17,843)	(16,392)	(27,054)	(32)
Permanent funds					1,391					
Nonspendable	517	520	537	522						
Restricted	5,795	4,465	3,787	6,171						
Committed	785	19,609	1,178	1,526						
Unassigned	(12,552)		(4,264)	4,813						
<b>Total All Other Governmental Funds</b>	<b>\$ (5,455)</b>	<b>\$ 24,594</b>	<b>\$ 1,238</b>	<b>\$ 13,032</b>	<b>\$ (287)</b>	<b>\$ 6,419</b>	<b>\$ (8,089)</b>	<b>\$ (5,417)</b>	<b>\$ (16,445)</b>	<b>\$ 4,804</b>
<b>Total</b>	<b>\$ 12,072</b>	<b>\$ 42,092</b>	<b>\$ 18,496</b>	<b>\$ 31,298</b>	<b>\$ 14,016</b>	<b>\$ 20,671</b>	<b>\$ 1,386</b>	<b>\$ 6,077</b>	<b>\$ (6,633)</b>	<b>\$ 14,416</b>

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Note: The government applied GASB 54 in Fiscal 2011, which accounts for the fund balance categories being different than in previous years.

## CITY OF MERIDEN, CONNECTICUT

**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

(Modified Accrual Basis of Accounting)

		FISCAL YEAR									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:											
	Property taxes, interest and lien fees	\$ 114,075	\$ 113,887	\$ 109,910	\$ 108,759	\$ 106,583	\$ 104,179	\$ 102,505	\$ 103,735	\$ 95,956	\$ 91,365
	Federal and state government	141,474	106,500	100,238	96,231	92,650	92,008	119,192	87,064	83,638	82,828
	Charges for services	5,453	5,290	5,163	5,678	5,538	6,120	7,217	8,198	7,747	8,097
	Investment income	766	581	533	741	743	643	1,311	2,646	1,455	910
	Other revenues	2,973	5,908	3,384	7,405	3,481	9,331	4,441	5,252	4,866	5,954
	Total revenues	<u>264,741</u>	<u>232,166</u>	<u>219,228</u>	<u>218,814</u>	<u>208,995</u>	<u>212,281</u>	<u>234,666</u>	<u>206,895</u>	<u>193,662</u>	<u>189,154</u>
Expenditures:											
Current:											
	General government	34,735	37,906	35,154	30,815	29,900	29,016	30,830	34,809	25,875	41,189
	Public safety	22,715	22,614	21,853	21,840	21,052	20,525	19,673	18,608	28,558	17,478
	Public works	6,877	7,025	7,017	6,835	6,798	7,128	6,191	6,038	6,617	5,903
	Health and welfare	8,255	8,401	7,817	8,281	8,232	8,537	7,457	9,574	6,342	8,246
	Culture and recreation	4,259	4,306	4,168	4,020	3,980	3,963	3,817			
	Education	133,770	127,605	128,009	126,494	123,442	122,568	148,186	112,427	102,765	86,755
	Debt service:										
	Principal	8,309	8,672	8,959	9,542	10,986	10,410	12,778	13,889	13,009	41,062
	Interest	3,265	2,938	3,237	3,055	3,413	3,791	4,206	4,174	4,950	3,696
	Capital outlay	72,490	14,224	17,217	8,002	8,902	7,709	6,219	11,201	15,967	28,504
	Total expenditures	<u>294,675</u>	<u>233,691</u>	<u>233,431</u>	<u>218,884</u>	<u>216,705</u>	<u>213,647</u>	<u>239,357</u>	<u>210,720</u>	<u>204,083</u>	<u>232,833</u>
	Deficiency of Revenues over Expenditures	<u>(29,934)</u>	<u>(1,525)</u>	<u>(14,203)</u>	<u>(70)</u>	<u>(7,710)</u>	<u>(1,366)</u>	<u>(4,691)</u>	<u>(3,825)</u>	<u>(10,421)</u>	<u>(43,679)</u>
Other Financing Sources (Uses):											
	Transfers in	1,430	372	484	608	1,712	1,015	570	693	342	5,550
	Transfers out	(1,430)	(372)	(484)	(608)	(876)	(1,015)	(570)	(693)	(342)	(5,550)
	Bond issuance		24,423	1,500	18,764		21,369		16,135		34,460
	Bond premium		609				58				
	Issuance of refunding bonds		6,400			32,769					
	Premium on refunding bonds		145			3,490					
	Payment to escrow		(6,453)			(36,040)					
	Total other financing sources	<u>-</u>	<u>25,124</u>	<u>1,500</u>	<u>18,764</u>	<u>1,055</u>	<u>21,427</u>	<u>-</u>	<u>16,135</u>	<u>-</u>	<u>34,460</u>
	Net Change in Fund Balances	<u>\$ (29,934)</u>	<u>\$ 23,599</u>	<u>\$ (12,703)</u>	<u>\$ 18,694</u>	<u>\$ (6,655)</u>	<u>\$ 20,061</u>	<u>\$ (4,691)</u>	<u>\$ 12,310</u>	<u>\$ (10,421)</u>	<u>\$ (9,219)</u>
	Debt Service as a Percentage of Noncapital Expenditures	4.1%	5.3%	5.6%	5.9%	6.9%	6.9%	7.3%	9.1%	9.5%	21.8%

## CITY OF MERIDEN, CONNECTICUT

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS  
(In Thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial/ Industrial Property</u>	<u>Tax Exempt Property</u>	<u>City-wide Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
2014	\$ 2,001,846	\$ 825,224	\$ 230,230	\$ 3,447,307	34.99	70%	\$ 4,924,724
2013	* 2,011,418	842,711	230,411	3,479,853	34.70	70%	4,971,219
2012	2,426,231	843,535	279,450	3,877,407	29.83	70%	5,539,153
2011	2,422,965	845,647	236,110	3,866,337	29.53	70%	5,523,339
2010	2,419,387	844,179	230,017	3,864,377	28.85	70%	5,520,539
2009	2,411,971	851,316	220,274	3,879,478	27.96	70%	5,542,111
2008	* 2,382,465	850,333	221,915	3,830,329	27.96	70%	5,471,899
2007	2,381,692	865,337	599,566	2,561,231	42.20	70%	3,658,901
2006	1,884,648	802,272	140,582	2,521,867	40.40	70%	3,602,667
2005	1,854,673	793,407	148,428	2,531,849	39.10	70%	3,616,927

Source: City of Meriden Tax Assessor

\* Revaluation year

## CITY OF MERIDEN, CONNECTICUT

## DIRECT AND OVERLAPPING PROPERTY TAX RATES

## LAST TEN YEARS

(Rates per \$1,000 of Assessed Value)

Fiscal Year	City Direct Rate			Overlapping Rates		Total Direct & Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Sanitation Removal District	Total Overlapping Rate	
2014	31.40	3.59	34.99	2.10	2.10	37.09
2013	31.13	3.57	34.70	2.10	2.10	36.80
2012	26.44	3.39	29.83	1.82	1.82	31.65
2011	26.10	3.43	29.53	1.90	1.90	31.43
2010	24.93	3.92	28.85	1.74	1.74	30.59
2009	24.12	3.84	27.96	1.93	1.93	29.89
2008	23.35	4.61	27.96	2.31	2.31	30.27
2007	34.88	7.32	42.20	2.31	2.31	44.51
2006	32.99	7.44	40.43	1.90	1.90	42.33
2005	31.63	7.46	39.09	1.90	1.90	40.99

Source: City of Meriden Tax Collector

\*The overlapping rate is only applicable to some property owners within the City of Meriden.

Although the direct rate applies to all property owners, the Sanitation Removal District applies to approximately one-quarter (26%) of the property owners whose property is located within the district's geographic boundaries.

TABLE 7

**CITY OF MERIDEN, CONNECTICUT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year Ended June 30, 2014			Taxpayer	Fiscal Year Ended June 30, 2005		
	Assessment	Rank	Percentage of Total City Taxable Assessed Value		Assessment	Rank	Percentage of Total City Taxable Assessed Value
Meriden Square Partnership	\$ 61,374,040	1	1.76 %	Meriden Square Partnership	\$ 26,318,530	2	1.13 %
Connecticut Light & Power	61,117,028	2	1.76	Connecticut Light & Power	26,924,220	3	1.08
Computer Sciences Corp.	29,063,150	3	0.84	C.S.C. Outsourcing, Inc.	13,142,920	8	0.51
Yankee Gas	24,351,700	5	0.70	Yankee Gas	17,335,740	5	0.79
Urstadt Biddle Properties, Inc.	22,050,000	4	0.63	Urstadt Biddle Properties, Inc.	15,105,030	6	0.65
Meriden Square #3 LLC et al	19,992,020	6	0.57	Meriden Square #3 LLC et al	49,320,460	1	2.11
Radio Frequency Systems, Inc.	18,009,560	8	0.52	Radio Frequency Systems, Inc.	19,684,120	4	0.86
Newbury Properties de LLC	15,960,000	7	0.46				
Carabetta Enterprises, Inc.	13,021,340	9	0.37	Carabetta Enterprises, Inc.	9,486,030	10	0.45
Merritt Station LLC	11,130,000	10	0.32				
				CUNO, Inc.	14,578,120	7	0.58
	\$ 276,068,838		7.93 %	May Department Stores	10,415,230	9	0.45
					\$ 202,310,400		8.61 %

Source: City of Meriden Tax Assessor

**CITY OF MERIDEN, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>			<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Original Levy</b>	<b>Collections in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 113,821,418	\$ 110,777,791	97.33%	\$ -	\$ 110,777,791	97.33%
2013	113,481,335	110,334,477	97.23%	1,916,227	112,250,704	98.92%
2012	109,965,111	107,069,554	97.37%	2,125,675	109,195,229	99.30%
2011	108,579,493	105,858,662	97.49%	2,230,879	108,089,541	99.55%
2010	105,882,618	103,229,589	97.49%	2,342,897	105,572,486	99.71%
2009	103,280,297	100,430,840	97.24%	2,557,505	102,988,345	99.72%
2008	103,064,985	99,842,370	96.87%	2,955,078	102,797,448	99.74%
2007	104,173,221	100,818,674	96.78%	2,941,224	103,759,898	99.60%
2006	97,595,530	93,994,623	96.31%	3,085,397	97,080,020	99.47%
2005	92,968,119	89,339,544	96.10%	3,279,911	92,619,455	99.62%

Source: City of Meriden Tax Collector



**CITY OF MERIDEN, CONNECTICUT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN YEARS**  
**(In Thousands)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				Total Primary Government (2)	Percentage of Personal Income	Aggregate Personal Income (3)	Population (3)	Per Capita (3)
	General Obligation Bonds	Capital Leases	Notes Payable	Resources Restricted for Debt Payments (1)	Water Bonds	Sewer Bonds	Golf Course Bonds						
2014	\$ 77,383	\$	\$ 1,350	\$	\$ 12,757	\$ 35,872	\$ 82	\$ 127,444	6.46 %	\$ 1,972,000	61	34	
2013	89,056		1,425		12,547	37,944	97	141,069	7.15	1,972,000	61	34	
2012	71,879		1,500		12,940	39,477	109	125,905	6.38	1,972,000	61	34	
2011	81,087				14,185	42,059	125	137,456	6.97	1,972,000	61	34	
2010	72,115				14,347	37,319	122	123,903	6.28	1,972,000	59	34	
2009	80,903				15,522	30,280	142	126,847	6.43	1,972,000	59	34	
2008	69,944			275	5,860	2,956	125	79,160	4.01	1,972,000	58	34	
2007	82,722			1,875	7,223	3,663	141	95,624	4.85	1,972,000	58	34	
2006	80,476			5,062	6,411	2,968	128	95,045	5.12	1,856,000	58	32	
2005	93,486	50		15,867	7,288	2,082	139	118,912	6.41	1,856,000	58	32	

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- (1) Includes intergovernmental grants receivable from the State Department of Education and restrictions from enabling legislation
- (2) All of the City of Meriden's debt is considered general obligation with no other revenues specifically pledged
- (3) U.S. Bureau of Economic Analysis

## CITY OF MERIDEN, CONNECTICUT

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

<b>Fiscal Year Ended June 30,</b>	<b>Bonded Debt (thousands)</b>	<b>Net Assessed Value (thousands)</b>	<b>Ratio of Net Bonded Debt to Net Assessed Value</b>	<b>Population</b>	<b>Debt Per Capita</b>
2014	\$ 127,444	\$ 3,217,077	3.96	60,456 *	\$ 2,108
2013	141,069	3,249,442	4.34	60,868	2,318
2012	125,905	3,597,957	3.50	60,868	2,068
2011	137,456	3,630,227	3.79	60,868	2,258
2010	123,903	3,634,360	3.41	59,186	2,093
2009	126,847	3,659,204	3.47	59,186	2,143
2008	78,885	3,608,414	2.19	59,468	1,327
2007	93,750	2,420,649	3.87	59,468	1,576
2006	88,785	2,373,437	3.74	59,468	1,493
2005	102,945	2,338,868	4.40	58,962	1,746

\* Source: U.S. Census Bureau's (USCB) Population Estimates Program

## CITY OF MERIDEN, CONNECTICUT

## DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 113,717
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>471</u>
Base	<u><u>\$ 114,188</u></u>

	<u>General Long-Term Debt</u>				
	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Sewers</u> (3.75 x base)	<u>Pension Bonding</u> (3.00 x base)
Debt Limitation:					
Statutory debt limits by function	\$ <u>256,923</u>	\$ <u>513,846</u>	\$ <u>371,111</u>	\$ <u>428,205</u>	\$ <u>342,564</u>
Debt:					
Notes payable	1,350				
Bonds payable	57,029	20,354			
Bonds authorized but unissued	11,825	43,369		2,614	
	<u>70,204</u>	<u>63,723</u>	<u>-</u>	<u>2,614</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u><u>\$ 186,719</u></u>	<u><u>\$ 450,123</u></u>	<u><u>\$ 371,111</u></u>	<u><u>\$ 425,591</u></u>	<u><u>\$ 342,564</u></u>

\*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$799,316.

**CITY OF MERIDEN, CONNECTICUT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN YEARS**  
**(In Thousands)**

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limitation	\$ 799,316	\$ 798,819	\$ 771,316	\$ 765,877	\$ 749,462	\$ 729,330	\$ 717,668	\$ 734,819	\$ 659,509	\$ 648,281
Total net debt applicable to limit	<u>133,910</u>	<u>130,069</u>	<u>129,058</u>	<u>131,935</u>	<u>94,205</u>	<u>99,416</u>	<u>130,409</u>	<u>194,045</u>	<u>95,045</u>	<u>118,912</u>
Legal Debt Margin	<u>\$ 643,758</u>	<u>\$ 668,750</u>	<u>\$ 642,258</u>	<u>\$ 633,942</u>	<u>\$ 655,257</u>	<u>\$ 629,914</u>	<u>\$ 587,259</u>	<u>\$ 540,774</u>	<u>\$ 564,464</u>	<u>\$ 529,369</u>
Total net debt applicable to the limit as a percentage of debt limit	16.8%	16.3%	16.7%	17.2%	12.6%	13.6%	18.2%	26.4%	14.4%	18.3%

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Note: The State of Connecticut General Statutes require that in no event shall the total debt of the City exceed seven (7) times the annual receipts from taxation. The calculation of the current year debt limit can be found on Table 11 of this report.

**CITY OF MERIDEN, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>
2014	60,456	\$ 53,831	8.3 %
2013	60,868	52,788	9.8
2012	60,868	52,788	10.0
2011	60,868	52,788	10.8
2010	59,186	52,788	10.4
2009	59,186	52,788	10.2
2008	59,468	52,788	6.5
2007	59,468	52,788	5.1
2006	59,468	31,459 *	5.4
2005	58,962	31,459 *	5.9

Sources: Department of Labor, State of Connecticut, U.S. Census Bureau and the State Department of Economic and Community Development

\* Information from the State Department of Economic and Community Development. As of 2007, per capita income is no longer available; however, the Department tracks median family income.

CITY OF MERIDEN, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2013			2004		
Employer	Employees*	Rank	Employer	Employees*	Rank
Midstate Medical Center	1000-4999	1	Midstate Medical Center	1000-4999	2
AT&T	500-999	2			
Hunter's Ambulance Service	250-499	3	Hunter's Ambulance Service	250-499	4
Bob's Stores Corp	250-499	4	Bob's Stores Corp	250-499	6
Canberra	250-499	5			
Carabetta Management	250-499	6			
CUNO, Inc.	250-499	7	CUNO, Inc.	250-499	5
Target Corporation	1-249	8	Target Stores	100-249	8
RFS Cable	1-249	9			
Verizon Wireless	1-249	10			
			SBC/SNET	1000-4999	1
			TI Automotive	500-999	3
			Filene's Department Store	250-499	7
			A.D.C. Broadband Communications	100-249	9
			State of Connecticut	100-249	10

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Source: Connecticut Department of Labor

\*Legal reasons prevent disclosure of actual employees

## CITY OF MERIDEN, CONNECTICUT

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

## LAST NINE FISCAL YEARS\*

	FISCAL YEAR ENDED JUNE 30,								
	2014	2013	2012	2011	2010	2009	2008	2007	2006*
General Government	167.5	166.5	169.5	165	165.5	174	178	185.5	185
Public Safety:									
Police									
Officers	121	120	118	117	118	118	115	121	116
Civilians	24	18.5	18.5	35.5	32	31	30.5	31.5	31
Fire:									
Firefighters and officers	98	99	100	97	96	96	97	95	95
Civilians	3	3	3	3	3	3	3	3	3
Emergency Communications	17	18	13	13	14	15	14	15	13
Highways and Streets:									
Engineering	9	9.5	12	11.5	12	12	11	12.5	12.5
Maintenance	30	27	28	29	28	29	29	32	31
Culture and Recreation	45.5	43.5	47.5	29.5	36	29	35.5	32.5	34.5
Golf	10	11	12	12	15	13	14	14	12
Water	30.5	32	33	33	34	34	30.5	30.5	34
Sewer	17	15	14	17	16	15	18.5	19	17
Total	<u>572.5</u>	<u>563.0</u>	<u>568.5</u>	<u>562.5</u>	<u>569.5</u>	<u>569.0</u>	<u>576.0</u>	<u>591.5</u>	<u>584.0</u>

\* City began to collect information in fiscal year ended 2006

Source: City of Meriden Payroll System

**CITY OF MERIDEN, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/TYPE**  
**LAST NINE FISCAL YEARS\***

Function / Operating Indicator	FISCAL YEAR								
	2014	2013	2012	2011	2010	2009	2008	2007	2006*
<b>Police</b>									
Cases Investigated	11,298	14,363 B)	n/a B)	27,872 B)	35,973	34,390	38,313	34,784	36,812
Calls for Service	41,116	44,279 B)	56,178 B)						
Arrests	3,495	3,012	3,592	3,809	3,491	3,083	3,225	3,147	3,059
Traffic Citations	3,426	2,723	3,071	4,233	5,958	7,579	4,520	6,866	6,809
Parking Citations	1,465	1,105	1,050	2,063	1,442	1,396	1,693	1,229	922
<b>Fire</b>									
Emergency Responses	7,692	7,738	8,650	7,256	7,299	6,424	6,021	6,033	5,787
Non-emergency Responses	1,471	1,403	1,656	1,574	1,612	1,937	1,911	1,643	1,965
Inspections	3,359	4,091	4,123	2,409	1,774	2,656	2,542	1,527	2,335
Fire Investigations (C)	73	63							
<b>Refuse Collection</b>									
Refuse Collected (Tons)	28,929	30,297	32,175	32,067	32,702	31,908	31,978	34,952	23,215
Recyclables Collected (Tons)	2,426	2,775	2,797	2,521	1,813	1,812	1,775	1,777	1,797
<b>Other Public Works</b>									
Street Resurfacing (Miles)	5.75	5.68	2.04	2.5	2.17	2.24	1	2	5
Potholes Repaired	7,654	4,792 E)	800	800	785	900	650	705	275
<b>Library</b>									
Volumes in Collection (Print)	245,620	239,686	234,772	235,134	232,783	233,157	234,897	239,314	239,196
Volumes in Collection (Non-print)	19,239	18,111	16,707	15,332	14,028	16,860	14,069	13,546	27,742
Total Volumes Borrowed	251,687	246,198	232,141	231,325	248,017	228,224	191,651	208,194	202,214
Annual Library Visits	312,442	308,801	307,904	292,421	278,629				
<b>Water</b>									
Average Daily Production (thousands of gallons)	5.234	5,379	5,560	5,720	5,422	5,960	6,050	6,504	6,893
Average Daily Demand (thousands of gallons)	5.234	5,379	5,560	5,720	5,422	5,960	5,980	6,333	6,880
<b>Wastewater</b>									
Average Daily Treatment (thousands of gallons)	10.005	10,983	11,925	12,080	12,917	11,400	11,800	9,400	9,400
<b>Transit</b>									
Total Route Miles	27,600 A)	27,600 A)	27,600 A)	27,600 A)	27,600 A)	52,999	52,999	52,926	52,980
Passengers	15,233	17,549	18,274	18,734	18,638	17,521	15,537	16,493	18,638
<b>Human Services</b>									
Environmental Inspections and Responses	2,919	2,616 D)	2,988	3,621	3,251	3,454	2,402	2,885	2,989
Health and Clinic Services Provided	4,272	4,892 D)	4,385	4,913	9,366	2,982	4,869	5,252	89,200
School Health Services Provided	96,690	91,814 D)	134,031	147,718	158,557	116,696	138,513	107,061	93,429
Social Services Provided	683	1,102 D)	1,211	1,953	1,683	1,572	2,233	2,377	451
Youth Program Participants	5,429	2,081 D)	11,673	11,087	10,498	10,765	8,576	6,843	5,562
Senior Program Participants	20,400	20,400 D)	8,922	15,287	17,973	19,947	20,471	20,204	19,246

Sources: Various City of Meriden Departments

\*City began to collect information in fiscal year ended 2006

A) Change in formula used by the State of Connecticut implemented in 2010.

B) New police software implemented in 2011 uses new criteria to calculate investigations.

C) New in 2013 - Fire Investigations completed by the Fire Marshals Office required by State Statute

D) Calculation methods were changed in 2013

E) New pothole machine was purchased



**CITY OF MERIDEN, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function</b>	<b>FISCAL YEAR</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	3	3	3	3	2	3	3	3	3	3
Fire stations	5	5	5	5	5	5	5	5	5	5
Volunteer Fire stations	1	1	1	1	1	1	1	1	1	1
Municipal buildings	10	10	10	10	10	10	10	10	10	10
Schools	13	13	13	13	13	13	13	13	13	13
High Schools	2	2	2	2	2	2	2	2	2	2
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Middle Schools	2	2	2	2	2	2	2	2	2	2
Magnet Schools	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Fields - Municipal	11	11	11	11	11	8	8	8	8	8
Fields - Schools	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (Municipal) (feet)	1,276,601	1,275,235	1,218,960	1,218,120	1,217,120	1,216,560	1,210,732	1,205,030	1,203,815	1,197,433
Fire hydrants (Municipal)	1,493	1,493	1,496	1,544	1,544	1,552	1,552	1,549	1,544	1,544
Fire hydrants (Private)	340	339	282	275	275	274	256	239	239	239
Wastewater										
Sewer line (feet)	1,123,712	1,111,214	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026
Highway										
Paved miles	187.83	187.36	187.45	187.45	187.45	187.45	187.45	187.45	187.45	187.45
Unimproved miles	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58

Sources: Various City of Meriden Departments